

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

Prepared By:

Deborah P. Caughron
City Director of Financial Services

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

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December 18, 2015

Honorable Mayor, City Council and Citizens of the City of Maryville, Tennessee

We are pleased to present the comprehensive annual report for the fiscal year ended June 30, 2015.

This report was prepared in accordance with the Maryville City Charter and state statutes. It provides detailed information as to how the City receives, spends and accounts for its revenues, along with key indicators of financial strength. The City is responsible for the accuracy of the data and for the fairness and completeness of the presentation. We believe this document contains all information necessary to gain an understanding of the City's financial activities in fiscal year 2015. We encourage readers to consider this transmittal letter in conjunction with the annotated financial statements and Management's Discussion and Analysis ("MD&A"). The MD&A is a narrative introduction, overview and analysis of the financial statements.

This report includes all funds of the City of Maryville (primary government). The City has no financial accountability for any component units.

Demographics

Located approximately 15 miles southeast of Knoxville, Tennessee, the City of Maryville consists of 16.12 square miles and is the county seat of Blount County. The Townsend entrance to the Great Smoky Mountains National Park is also a 20 minute drive while the tourism destinations of Gatlinburg, Pigeon Forge and Dollywood are located in adjacent Sevier County.

With an estimated population of 28,476 residents in 2015, the City population has grown by approximately 9% in the last decade. The City is also home to Maryville College, a private, four year, undergraduate liberal arts institution with fall 2015 enrollment of 1,213 students. The statistical section of this report contains more detailed demographic information.

Governmental Structure

The governing authority consists of a five-member City Council elected at-large, with City Council selecting two of its own members to serve as Mayor and Vice-Mayor, respectively. The City Manager reports to the City Council and manages the daily operations of seven appointed operating department directors.

The City provides traditional government services, including police and fire protection, codes enforcement, street maintenance and refuse collection. In addition, the City provides water distribution services to 15,514 customers and wastewater collection services to 13,599 customers. Electric service is provided to another 22,149 customers. The service areas for Water, Wastewater and Electric utilities extend beyond the municipal boundaries of the City. The City also participates in inter-governmental agreements to fund a public library, parks & recreation commission and fine arts activities.

Maryville City Schools currently serves approximately 5,100 students in seven schools. The Schools are funded in part by annual transfers from the General Fund. In FY 2015, the City contributed \$9,307,500 to fund school operations. Principal and interest for school related debt is paid from the City's Debt Service Fund.

Economic Condition and Outlook

Similar to cities and counties throughout the country, the City of Maryville slowly recovered from the recession that began in 2008. Unemployment rates continue to decline and most major employers in the City and Blount County are considered stable. Below is a summation of these conditions:

- For September 2015, the unemployment rate for the City was 5.3% compared to a rate of 5.1% for Blount County and 5.7% statewide, according to the Tennessee Department of Labor and Workforce Development. The unemployment rate for the City has decreased 0.6% since October 2014.
- In December 2013, voters approved a referendum increasing the City's local option sales tax by 0.5% from 2.25% to 2.75%. Proceeds of the tax were distributed equally between public education and the City's General Fund effective February 1, 2014. For FY 2015, the additional local option sales tax funds were distributed in this manner. Following passage by referendum of the additional rate county-wide, the city-only tax increment of 0.5% ended June 30, 2015. The county-wide local sales tax rate of 2.75% to be distributed according to provisions of state law was effective 7/1/2015 (Fiscal Year 2016).
- The City and Blount County benefit from a stable employer base. Denso Manufacturing Tennessee, Inc., the largest employer in Blount County and the City with 3,400 full time employees, has been a leading source of jobs since 1988. The County's second largest employer, Blount Memorial Hospital, with 2,441 full time employees, is also located primarily within the City of Maryville. The County's employment is not heavily concentrated by a single employer with the largest 24 employers representing 34% of all employment.
- The Taxable Digest of \$844 million reflects an increase of \$33.8 million from the previous year. Assessed Real Property, including both residential and commercial/industrial categories, increased by \$9 million to \$695.6 million. Assessed value of Personal Property increased by 21.3%, or \$23.6 million, to \$134.8 million and the assessment for Public Utilities increased by 9.3%, or \$1.1 million, to \$12.9 million.
- Total General Fund Revenues excluding in-lieu-of-tax payments increased by \$2,874,207, or 8.8%, to \$35,669,557 from FY 2014 to FY 2015. Of this amount, \$1,660,996 was due to the increase in the local option sales tax rate approved by voters in December 2013 and effective with sales beginning February 1, 2014.

Major Initiatives

This section highlights some of the major initiatives completed or underway in FY 2015.

School Improvements

A. Secure Entries

In an effort to address entrance security issues in all Maryville City schools, the school district committed to major improvements that were completed in the summer of 2015. This multi-year initiative included the following:

- a. 2013 – Maryville Jr. High School – total redesign of front office space and entry, routing visitors through the front office before entering the school.
- b. 2013 – Montgomery Ridge Intermediate – one of our newer schools (2001), required some redesign at the entrance to redirect traffic through the front office.
- c. 2014 – Maryville High School – new main lobby, remodeling, and secure entrance added to the front of the building.
- d. 2015 – John Sevier Elementary – moved office space from the center of the building to the main entrance and constructed a system of doors requiring visitors to pass through the office to enter the building.
- e. 2015 – Sam Houston Elementary – moved the office space to better utilize the existing footprint, while securing the entrance and modernizing the entry. This project also significantly improved vehicle traffic flow for the campus.
- f. 2015 – Foothills Elementary – added divided wall entrance to force visitors through the office and remodeled the office space for greater visibility and efficiency.

B. iReach – Digital Conversion

- a. In 2015, the school district successfully deployed either a laptop or iPad to every student in grades PreK-12. Students and staff in grades 5-12 utilize Dell laptop's and Apple iPad's are utilized in grades PreK-4. Initial deployment of devices was completed in the summer of 2015 before the start of the 2015-16 school year.

School Improvements (Continued)

B. iReach – Digital Conversion (Continued)

- b. During the spring and summer of 2015, technology infrastructure improvements included adding 425 wireless WiFi access points on seven campuses in support of iReach. This project cost was \$325,000.
- c. While devices and infrastructure represent significant financial commitments, a full understanding of this initiative must include our commitment to professional development. Technology is an ever-changing world that requires training and collaboration – dictating both a commitment in time and a pledge for continuous investments in personnel training to support a technology-enabled learning environment.

Water and Wastewater System Improvements

The Water and Sewer Department completed several large water and wastewater projects in fiscal year 2015. Listed below are highlights:

1. Sewer Rehabilitation and Relocation work was completed in the Browns Creek drainage area for \$399,510 as well as Lincoln Rd/Wildwood Area, Foch Street, S. Cedar Street and in other various areas for \$94,577. Sewer service and manhole replacements were completed system-wide for a cost of \$218,731.
2. The ongoing Sanitary Sewer Evaluation Survey (SSES) included design work for rehabilitation work in the Wilkinson basin, to take place in FY16, and investigation work in the A1/Browns basin for a total of \$278,424.
3. A sewer extension project began between Country Meadows and Montvale pump stations, ultimately eliminating one of the stations. Construction costs totaled \$148,797 during the fiscal year. The project will be completed in FY 16.
4. Water distribution system replacement and relocations took place near McGinley, Foch, South Cedar Streets and various other locations including some valve program work for a total of \$399,488. A consultant was hired to complete a water system leak survey for \$55,948. Additionally, work was completed to eliminate some dead end lines within the water system for a total cost of \$166,020.
5. New residential and commercial services were installed for both water and sewer at a cost of \$161,181 and \$69,583, respectively. Additionally, \$28,883 was spent to purchase meters and continue the meter maintenance program.
6. The Department replaced several pieces of heavy equipment, including a tandem dump truck and a pump station maintenance truck. Sale of surplus equipment resulted in revenue of \$69,101 and purchases were \$334,356 for a net expense of \$265,255.

Electric System Improvements

The Electric Department completed or began several significant projects in FY 2015. Listed below are highlights:

1. Replaced a bucket truck and a pickup that were scheduled for retirement and purchased a new bucket truck primarily for traffic signal operations in the amount \$378,583.
2. Began implementation of our remote communications system for our metering network (AMI) for cost of \$457,088.
3. Installed new underground facilities in the amount of \$170,567.
4. Replaced underground facilities in the amount of \$697,343 that included Oxford Hills, Stonecrest, and Wimbledon subdivisions, and other various locations.
5. Installed new overhead facilities in the amount of \$70,121.
6. Improved or replaced existing overhead facilities in the amount of \$730,454. This included Walker Circle, Pinedale, South Ruth, Oak Park, and other various locations.

Electric System Improvements (Continued)

7. Began implementation of a voltage management program that will allow us to manage our peak demand. FY 2015 expense was \$60,831.
8. Installed one new traffic signal and replaced an existing signal for the amount of \$408,718.

Engineering & Public Works Improvements

The Engineering and Public Works Department completed several projects in FY 2015 in the areas of Engineering, Transportation, Grounds, Solid Waste and Stormwater Management. Highlights include:

1. Intersection Improvements to U.S. 321 (W. Lamar Alexander Parkway) at Watkins Road – This project consisted of construction of a westbound left turn lane for S. Watkins Road and replacement of traffic signal mast arm to accommodate the left turn displays. Project costs were \$55,319 for the road work and approximately \$37,500 for the signal work.
2. Intersection Improvements on U.S. 129 (S.R.115) at Mall Road – This project included changing the right-in-right-out-only access to full access, installation of a traffic signal at the intersection, and reconstruction of the intersection of Mall Road, N. Plaza Drive, and the south entrance to Foothills Mall with a roundabout. This project was completed in May 2015 for a total cost of \$1,444,302, excluding expenses related to utility work.
3. Traffic Signal Improvements – Three traffic signals were upgraded with LED displays and/or pedestrian displays. This brings all 45 signals in the City up to LED.
4. Foch Street Drainage Improvements – This project addressed one of the most frequent flooding problems in the City. It involved the replacement of a 48-inch culvert with a 36-ft by 9-ft arch metal bridge. The failed pipe was causing significant road subsidence. The cost of the work was \$440,760.
5. Drainage Improvements at U.S. 321 and Home Avenue property – Replaced approximately 127 feet of failed metal pipe with 127 feet of 36-inch concrete pipe. This was directly adjacent to a building, and the failing pipe and work required some building repair. The pipe work cost was \$49,085, and the building repair was \$95,000.
6. Sidewalk Improvements – This project included the completion of Phase 2 for a sidewalk connection from Coulter Grove School to John Sevier School. It consisted of 1,160 feet of sidewalk on Elm Drive and Brentwood Drive. The cost of the work was approximately \$27,400.
7. The City of Maryville Solid Waste division responded to the Winter Storm in February 2015 by collecting over twice the amount of brush damage in March and April than is typical for those months. This required large amounts of resources through personnel and equipment. We have applied for reimbursement from the Tennessee Emergency Management Association.

Financial Information

Internal Controls

City management maintains internal accounting controls to ensure that the City's assets are protected from loss, theft, or misuse and that adequate accounting records allows financial statements to conform with generally accepted accounting principles. Since the costs of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute assurances that the financial statements will be free from material misstatements.

Budgetary Controls

Sound financial management and legal compliance require compliance with budget controls. The Maryville City Charter and state statutes require the City to operate under an annual balanced budget adopted by local ordinance. Within each fund, expenditures may not legally exceed appropriations at the department (cost center) level.

Budgetary Controls (Continued)

In accordance with Article IX Section 3 of the Maryville City Charter, the City Manager shall submit the proposed budget to City Council at least forty-five days before the beginning of the fiscal year. The City Council reviews the budget, holds a required public hearing and adopts the annual budget with two required readings prior to the beginning of the fiscal year. Coordination of the budget process and ongoing management of the adopted budget is delegated by the City Manager to the Director of Management and Budget and the Department of Financial Services.

Other Information

Independent Audit

The financial statements are prepared in compliance with governmental-reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting principles applicable to government entities. The Maryville City Charter and state statutes require an annual audit by independent Certified Public Accountants. The accounting firm of Ingram, Overholt & Bean, PC, serves as independent auditor to the City of Maryville. The auditor's report on the combined financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

This document is made possible by the commitment of the staff of the Department of Financial Services. We recognize and appreciate the willingness of each City department that provided information for this document. We also wish to express our sincere appreciation to the staff of Ingram, Overholt & Bean, PC, for their technical expertise and to City Council for their support and leadership in planning and conducting the City's financial activities.

Respectfully submitted,



Greg S. McClain
City Manager



Deborah P. Caughron
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

City of Maryville Tennessee

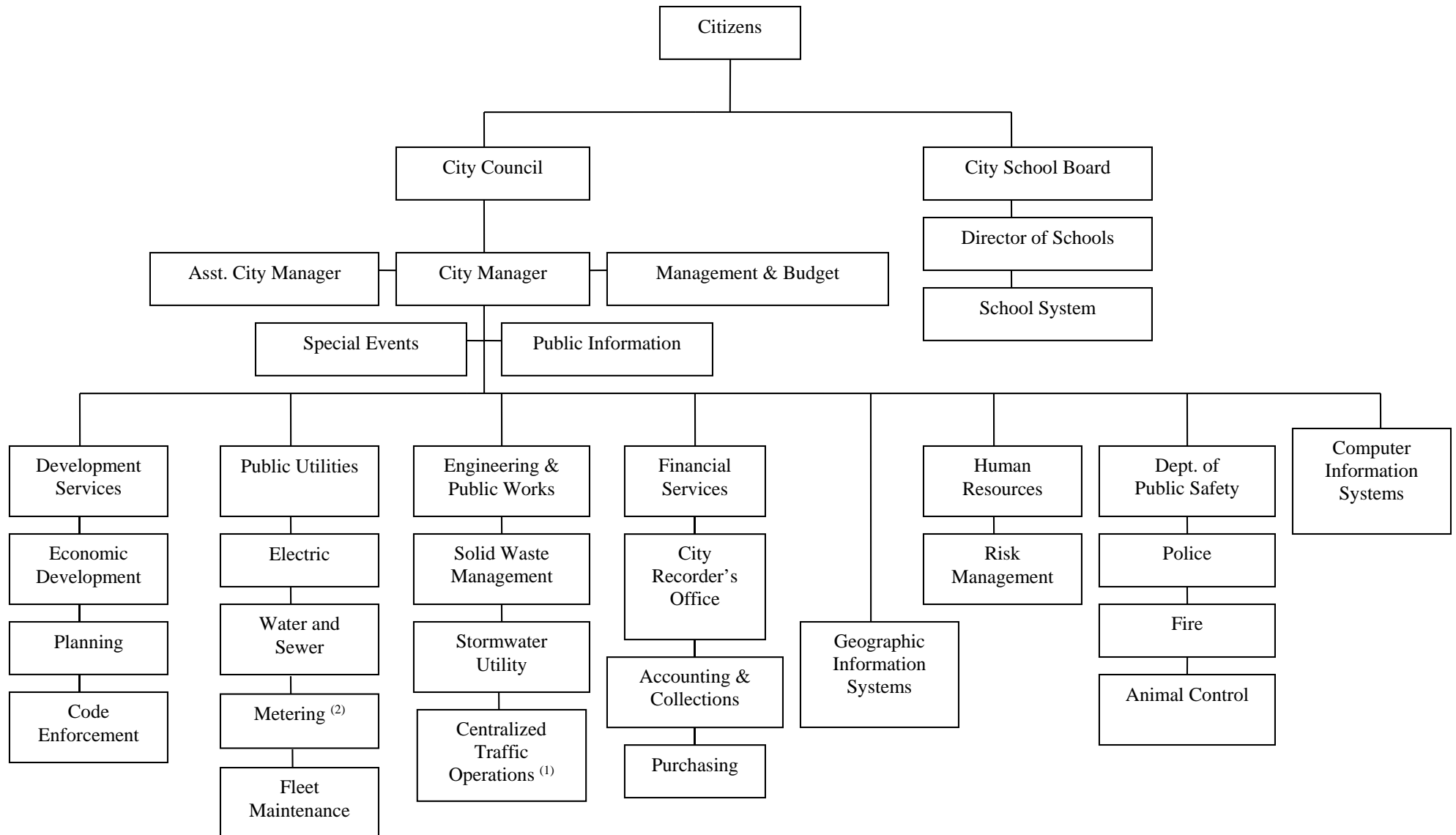
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

CITY OF MARYVILLE, TENNESSEE
Organizational Chart as of 6/30/15



⁽¹⁾Centralized Traffic Operations established July 2012

⁽²⁾Metering established July 2014

Principal Elected and Appointed Officials

I. City Council

- A. Tom Taylor..... Mayor
- B. Andy White Vice-Mayor
- C. Tommy Hunt Councilman
- D. Fred Metz Councilman
- E. Joe Swann..... Councilman

II. City School Board

- A. Christi Sayles Member
- B. Doug Jenkins Chairman
- C. Bethany Pope..... Vice-Chairman
- D. Candy Morgan..... Secretary
- E. Bob Proffitt..... Member

III. City Administration

- A. Greg McClain..... City Manager
- B. Roger D. Campbell..... Assistant City Manager
- C. Kristine Tallent..... Director of Management & Budget

IV. City School Administration

- A. Dr. Mike Winstead Director of Maryville City Schools
- B. Rick Wilson..... Assistant Director of Maryville City Schools

V. Judicial/Legal Services

- A. William Yarborough City Judge
- B. Betsy Smith City Juvenile Judge
- C. Michael Fox Assistant City Judge
- D. David Black..... City Attorney (1)

VI. Department Heads

- A. Teresa Best Director of Human Resources
- B. Deborah Caughron Director of Financial Services/City Recorder
- C. Tony Crisp..... Director of Public Safety
- D. John Jagger..... Director of Development Services
- E. Angela Luckie Director of Engineering & Public Works
- F. Terry McCoy Director of Information Technology
- H. Baron Swafford Public Utility Director

(1) Per contractual agreement



Joe S. Ingram, CPA (1948 – 2011)
Lonas D. Overholt, CPA
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the General Purpose School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1(S) to the financial statements, in 2015 the City adopted a new accounting guidance, GASB No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*. Our opinion is not modified with respect to this matter.

(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages xi through xx and required supplementary schedules on pages 72 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maryville, Tennessee's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, enterprise fund schedules, capital asset schedules, other miscellaneous schedules, statistical section, and the schedule of federal and state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, enterprise fund schedules, capital asset schedules, other miscellaneous schedules, statistical section and the schedules of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, enterprise fund schedules, capital asset schedules, other miscellaneous schedules, statistical section and the schedules of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 18, 2015, on our consideration of the City of Maryville, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Maryville, Tennessee's internal control over financial reporting and compliance.

Ingram, Overholt & Bean, PC

Alcoa, Tennessee
December 18, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Overview of the Financial Statements

The City's basic audited financial statements comprise three components: (1) Government-wide financial statements; (2) Fund financial statements; and (3) Notes to the financial statements. This section also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement combines the governmental fund's current financial resources (short-term) with capital assets and long term liabilities. The reader should recall that prior to the implementation of GASB Statement 34, capital assets and long term liabilities were excluded from an entity's balance sheet and instead presented within the General Fixed Asset and General Long Term Debt Account Groups.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement". The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include police and fire services, public works, development services, schools and general government activities. The business-type activities of the City include Water & Wastewater, Electric and Stormwater utilities.

The government-wide financial statements can be found beginning on page 1 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Maryville, similar to other state and local governments, uses fund accounting

to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Maryville can be divided into two categories: **governmental** funds and **proprietary** funds. The City of Maryville does not have any funds of the fiduciary fund type.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type: General, Special Revenue, Capital Projects and Debt Service. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, General Purpose School and Debt Service, which are all considered as Major Funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements elsewhere in the report.

During the fiscal year ending June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, as discussed in Note 1 on page 34. As a result, fund balance classifications in the governmental fund financial statements reflect the five new classifications under GASB 54.

During the fiscal year ending June 30, 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Both statements further define the reporting of deferred outflows and inflows of resources and require retroactive application by restating financial statements as necessary.

The City implemented GASB Statement 68 (Accounting and Financial Reporting for Pensions) for the fiscal year ending June 30, 2015. With the new reporting requirement, the City is allocated its proportionate share of the Tennessee Consolidated Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance has occurred in funds that carry defined benefit pension obligations, including, but not limited to, the General Fund, General Purpose School Fund, the three utility funds and certain internal service funds. Decisions regarding the investment decisions of the assets held by the Tennessee Consolidated Retirement System ("TCRS") are made by the administrators of the pension plan, not by the City's management.

The City adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the General Fund and General Purpose School Fund, with statements beginning on pages 10 and 19, respectively.

Proprietary Funds

The City maintains two types of proprietary funds. **Enterprise** funds are used to account for quasi-business functions where revenues typically are generated from charges or fees rather than taxes. The City uses enterprise funds to account for its Electric, Water and Wastewater and Stormwater activities. The City uses **Internal Service** funds to account for its group self-insurance, worker's compensation, fleet, information technology services and facility management. The internal services funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is presented in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found beginning on page 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

Financial Highlights

- The City's total assets exceeded its liabilities at June 30, 2015, by \$167,634,445 (net position). Of this amount, \$22,613,373 (unrestricted position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$29,470,645, an increase of \$2,377,014 in comparison with the prior year. Of this amount, \$7,823,581 remains in the General Fund as unassigned and \$7,940,344 is assigned within the General Purpose School Fund for total fund balances at the lowest level of control of \$15,763,925. For the prior year, combined fund balances within the General Fund and General Purpose School Fund were \$13,720,060, for a difference of \$2,041,865.
- At June 30, 2015, the City's General Fund reported an unassigned fund balance of \$7,823,581, an increase of \$1,578,837 from last fiscal year. The total Assigned and Unassigned Fund Balance for General Fund was \$8,720,364, an increase of \$925,565. The difference year over year is a decrease in Assigned Fund Balance from \$1,550,055 to \$896,783 due to a decreased use of fund balance in the next fiscal year's budget. Unassigned fund balance of 6/30/2015 is approximately 21.6% of total general fund expenditures, including transfers to schools, debt service and other operations for FY 2015.
- At June 30, 2015, the City's General Purpose School Fund reported an assigned fund balance of \$7,940,344, an increase of \$1,013,028 from last fiscal year. Assigned fund balance is approximately 17.2% of total fund expenditures for FY 2015. Tennessee State Law requires schools to maintain a minimum fund balance of 3% (TCA 49-3-352).
- The capital project to construct a secure entry to Maryville High School was completed in FY 2015 and a secondary project for secure entries to the three elementary schools began late in the fiscal year. The total FY 2015 expense for school capital projects was \$372,229.

Government-Wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$167,634,445 at the close of the most recent fiscal year. This amount represents an increase of \$74,112, or <1% over FY 2014. As noted in an earlier section of this report, GASB Statement 68 (Accounting and Financial Reporting Related to Pensions) has been implemented for FY 2015. Pension Deferrals in the amount of \$4,501,362 is now shown as a Deferred Outflow of Resources and a \$12,802,654 Deferred Revenue as a Deferred Inflow of Resources.

Net Position June 30, 2015

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|------------------------------------|--------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|--------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| Current and other Assets | \$ 60,028,295 | \$ 54,064,280 | \$ 25,913,525 | \$ 26,912,120 | \$ 85,941,820 | \$ 80,976,400 |
| Capital Assets (Net) | <u>134,801,843</u> | <u>136,117,154</u> | <u>136,075,434</u> | <u>133,392,759</u> | <u>270,877,277</u> | <u>269,509,913</u> |
| Total Assets | 194,830,138 | 190,181,434 | 161,988,959 | 160,304,879 | 356,819,097 | 350,486,313 |
| Deferred Outflows of Resources: | | | | | | |
| Pension Deferrals | <u>3,992,414</u> | <u>-</u> | <u>508,948</u> | <u>-</u> | <u>4,501,362</u> | <u>-</u> |
| Long-Term Liabilities | 89,351,933 | 92,275,055 | 55,390,522 | 57,388,616 | 144,742,455 | 149,663,671 |
| Other Liabilities | <u>6,935,579</u> | <u>5,836,305</u> | <u>9,886,040</u> | <u>9,378,457</u> | <u>16,821,619</u> | <u>15,214,762</u> |
| Total Liabilities | <u>96,287,512</u> | <u>98,111,360</u> | <u>65,276,562</u> | <u>66,767,073</u> | <u>161,564,074</u> | <u>164,878,433</u> |

Net Position (Continued)
June 30, 2015

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|-------------------------------------|---------------------------------------|-----------------------|--|-----------------------|--|-----------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred Revenue | 19,197,281 | 18,047,547 | 122,005 | - | 19,319,286 | 18,047,547 |
| Pension Deferrals | <u>11,377,051</u> | <u>-</u> | <u>1,425,603</u> | <u>-</u> | <u>12,802,654</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>30,574,332</u> | <u>18,047,547</u> | <u>1,547,608</u> | <u>-</u> | <u>32,121,940</u> | <u>18,047,547</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 51,401,298 | 48,939,854 | 83,526,202 | 78,694,922 | 134,927,500 | 127,634,776 |
| Restricted | 10,093,572 | 10,845,846 | - | - | 10,093,572 | 10,845,846 |
| Unrestricted | <u>10,465,838</u> | <u>14,236,827</u> | <u>12,147,535</u> | <u>14,842,884</u> | <u>22,613,373</u> | <u>29,079,711</u> |
| Total Net Position | <u>\$ 71,960,708</u> | <u>\$ 74,022,527</u> | <u>\$ 95,673,737</u> | <u>\$ 93,537,806</u> | <u>\$ 167,634,445</u> | <u>\$ 167,560,333</u> |

The largest portion of the City's net position (80%) at June 30, 2015, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not easily or quickly available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$22,613,373 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities experienced an increase of 5.0% year over year for Net Investment in Capital Assets. Business-Type Activities experienced an increase of 6.1% year over year for Net Investment in Capital Assets. This change resulted primarily from additions to Water and Sewer, Electric and Stormwater utilities Plant-in-Service.

The City is able to report positive balances in all three categories of net position for activities of the primary government.

Changes in Net Position
June 30, 2015

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|-------------------------------------|---------------------------------------|-----------------------|--|-----------------------|--|-----------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 4,800,952 | \$ 4,522,556 | \$ 82,269,022 | \$ 81,571,113 | \$ 87,069,974 | \$ 86,093,669 |
| Operating Grants and Contributions | 22,873,038 | 23,187,037 | - | - | 22,873,038 | 23,187,037 |
| Capital Grants and Contributions | 594,673 | 149,271 | 541,280 | 157,413 | 1,135,953 | 306,684 |
| General Revenues: | | | | | | |
| Sales Taxes | 18,258,885 | 15,207,831 | - | - | 18,258,885 | 15,207,831 |
| State Income Taxes and Excise Taxes | 537,456 | 536,887 | - | - | 537,456 | 536,887 |
| Property Taxes | 28,462,845 | 27,561,747 | - | - | 28,462,845 | 27,561,747 |
| Business Taxes | 1,044,938 | 782,339 | - | - | 1,044,938 | 782,339 |
| Miscellaneous Taxes | 3,005,430 | 3,025,884 | - | - | 3,005,430 | 3,025,884 |
| In-Lieu of Taxes | 1,036,489 | 852,795 | - | - | 1,036,489 | 852,795 |
| Investment Earnings | 256,400 | 217,444 | 14,813 | 14,732 | 271,213 | 232,176 |
| Miscellaneous Revenues | 1,817,076 | 1,681,975 | 8,400 | 8,400 | 1,825,476 | 1,690,375 |
| Gain on Deletion of Capital Assets | <u>48,583</u> | <u>28,668</u> | <u>69,101</u> | <u>30,983</u> | <u>117,684</u> | <u>59,651</u> |
| Total Revenues | <u>82,736,765</u> | <u>77,754,434</u> | <u>82,902,616</u> | <u>81,782,641</u> | <u>165,639,381</u> | <u>159,537,075</u> |

(Continued)

Changes in Net Position (Continued)
June 30, 2015

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|---|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| Expenses | | | | | | |
| General Government | 4,819,297 | 4,560,452 | - | - | 4,819,297 | 4,560,452 |
| Public Safety | 8,724,154 | 8,978,223 | - | - | 8,724,154 | 8,978,223 |
| Public Works | 7,114,555 | 6,914,370 | - | - | 7,114,555 | 6,914,370 |
| Culture and Recreation | 3,312,723 | 3,136,157 | - | - | 3,312,723 | 3,136,157 |
| Economic Development | 18,059 | 18,193 | - | - | 18,059 | 18,193 |
| Education | 49,261,478 | 50,848,054 | - | - | 49,261,478 | 50,848,054 |
| Interest on Long-Term Debt | 2,567,148 | 2,493,886 | - | - | 2,567,148 | 2,493,886 |
| Other Debt Service | 200,463 | 25,841 | - | - | 200,463 | 25,841 |
| Electric | - | - | 63,780,518 | 62,625,738 | 63,780,518 | 62,625,738 |
| Water and Sewer | - | - | 13,027,635 | 13,008,449 | 13,027,635 | 13,008,449 |
| Stormwater Utility | - | - | 1,039,904 | 1,090,652 | 1,039,904 | 1,090,652 |
| Total Expenses | <u>76,017,877</u> | <u>76,975,176</u> | <u>77,848,057</u> | <u>76,724,839</u> | <u>153,865,934</u> | <u>153,700,015</u> |
| Excess of Revenues Over Expenses before Transfers | 6,718,888 | 779,258 | 5,054,559 | 5,057,802 | 11,773,447 | 5,837,060 |
| Transfers – In Lieu of Tax Payments | <u>1,192,314</u> | <u>1,472,437</u> | <u>(1,192,314)</u> | <u>(1,472,437)</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | 7,911,202 | 2,251,695 | 3,862,245 | 3,585,365 | 11,773,447 | 5,837,060 |
| Net Position at Beginning of Year | 74,022,527 | 71,770,832 | 93,537,806 | 89,952,441 | 167,560,333 | 161,723,273 |
| Prior Period Adjustment | <u>(9,973,021)</u> | <u>-</u> | <u>(1,726,314)</u> | <u>-</u> | <u>(11,699,335)</u> | <u>-</u> |
| Net Position at End of Year | <u>\$ 71,960,708</u> | <u>\$ 74,022,527</u> | <u>\$ 95,673,737</u> | <u>\$ 93,537,806</u> | <u>\$ 167,634,445</u> | <u>\$ 167,560,333</u> |

Analysis of Change in Net Position

Governmental Activities

- Governmental activities decreased the City's governmental net position by \$2,061,819, due primarily to reporting requirements of GASB Statement 68. The Change in Net Position before the restatement for GASB Statement 68 was an increase of \$7,911,202.
- Revenue increased by 6.4%, or \$4,982,331, to \$82,736,765. The City's largest revenue category, property taxes, increased by \$901,098, or 3.3%. Sales taxes increased by \$3,051,054 year over year, an increase of 20.1%.
- The City's local option sales tax rate was increased from 2.25% to 2.75% effective February 1, 2014. FY 2015 was the first year in which the additional sales tax was collected for a full 12 month period, resulting in the 20% year over year increased. For FY 2014 and FY 2015, sales taxes generated by the additional 0.5% were shared equally by the City's General Fund and General Purpose School Fund. Beginning 7/1/2015, the proceeds of the additional tax designated for education will be remitted by the State Department of Revenue to the Blount County Trustee for allocation to all three school systems located within the County in accordance with average daily attendance percentages. Consequently, the City expects reduced local option sales tax revenues for education in FY 2016 as compared to revenue collections for FY 2015.
- Expenses decreased by 1.2%, or \$957,299, due primarily to decreases in Education of \$1,586,576.

Analysis of Change in Net Position (Continued)

Business-Type Activities

- Business-type activities increased the City's business-type net position by \$2,135,931, which includes a GASB Statement 68 restatement reduction of \$1,726,314. (It should be noted that the Business-Type activities in total have a lower GASB 68 restatement than General Fund due to the fewer number of employees eligible for the defined benefit retirement plan. Employees hired prior to July 1, 1988, are eligible for a defined contribution retirement plan not subject to GASB Statement 68 reporting.) The Change in Net Position before the restatement for GASB Statement 68 was an increase of \$3,862,245.
- The Electric Utility, the largest business-type activity of the City with FY 2015 operating revenues of \$66,049,665 and expenses of \$63,522,291, experienced increased revenues and expenses from the prior year. Purchased Power expense for the utility increased by \$1,029,903, or 1.9% year over year. Purchased Power expense as a % of Charges for Service increased from 84.70% in FY 2014 to 85.5% in FY 2015.
- The Water and Sewer Fund concluded FY 2015 with a change in net position of \$1,923,183 compared to \$1,934,933 in the previous year. Operating revenues decreased by \$73,006, or <1%, to \$14,832,003 while expenses increased by \$86,929, or <1%, to \$10,805,393. The most recent Water and Wastewater rate increase was effective January 1, 2013. There was no rate increase for FY 2015 nor is one expected for FY 2016.
- The Stormwater Utility finished the fiscal year with operating revenues of \$1,387,354 and operating expenses of \$1,039,904. The fund ended the fiscal year with a net position of \$2,553,951.
- Total Business-Type Activities contributed transfers-in-lieu of tax payments of \$1,192,314 compared to \$1,472,437 in FY 2014.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. As of June 30, 2015, unassigned fund balance of the General Fund was \$7,823,581. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, including General Fund transfers. Unassigned fund balance represents 21.6% of total general fund expenditures.

The General Purpose School Fund is the primary operating fund for the Maryville City Schools. As of June 30, 2015, the assigned fund balance of the General Purpose School Fund was \$7,940,344. Assigned fund balance represents 17.2% of total general purpose school fund expenditures. The City's contribution from General Fund for operating support of the schools remained unchanged since FY 2009 at \$9,307,500.

The Debt Service Fund is used to pay principal and interest for debt issued for City and School-related projects, not including self-supporting debt issued for capital improvements to the Water & Wastewater and Electric Utilities. In FY 2015, primary revenues to the Debt Service Fund were a transfer from General Fund and contributions from Maryville College related to payment of debt issued for construction of the Civic Arts Center. The assigned fund balance of the Debt Service Fund as of June 30, 2015, was \$8,025,226, an increase of \$14,332 from the prior year.

Schedules for Other Non-Major Governmental Funds are also found in this report.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Electric Utility as of June 30, 2015 was \$38,894,690, an increase of \$395,203 from the prior year. Operating income for the utility decreased from \$2,930,347 in FY 2014 to \$2,527,374 in FY 2015. Charges for services increased by 1.0% and purchased power costs increased by 1.9% year over year. The restatement for GASB 68- Pension Reporting- was (\$896,409).

Net position of the Water and Sewer Department as of June 30, 2015, was \$54,225,096, an increase of \$1,260,748 from June 30, 2014. Operating income for the utility decreased from \$4,186,545 in FY 2014 to \$4,026,610 for FY 2015. Capital Contributions (Non-Cash) increased from \$157,413 for FY 2014 to \$541,280 in FY 2015.

Net position of the Stormwater Utility as of June 30, 2015 was \$2,553,951. Operating income for the utility decreased slightly from \$301,394 in FY 2014 to \$347,450 for FY 2015.

General Fund Budgetary Highlights

The final budget increased the original appropriation by \$1,313,993 to \$36,572,164 (excluding Animal Control and Solid Waste operations). Moreover, the final budget removed an amended use of fund balance of \$1,550,055.

On the appropriation side, management continued to closely monitor spending throughout the fiscal year and most cost centers operate through use of a detailed budget document. Departments continued to identify savings within line items where possible.

Three operating cost centers- Finance, Public Works- Streets and Public Works-Street Lighting- exceeded their original budgets. The final budget for Finance was increased by \$33,028 to account for unanticipated expenses related to the Tax Year 2015 county property reappraisal process. The revised budget for the Finance cost center was \$448,556.

The final budget for Public Works- Streets was increased by \$11,272 to account for higher than anticipated overtime expenses. The revised budget for the Public Works- Streets cost center was \$991,004.

Expenses for Public Works-Street Lighting were increased by \$102,573 to account for actual expense of \$702,576.

The final ordinance also appropriated additional transfers to the Debt Service (\$475,000), Stormwater (\$300,000) and City Grant (\$28,480) Funds.

Below is a listing of the changes to the General Fund budget for FY 2015.

- Net Change in Multiple Revenue Line Items, including Use of Fund Balance - \$463,994
- Increase in Finance- \$33,028
- Increase in Public Works- Streets - \$11,272
- Increase in Public Works- Street Lighting- \$102,576
- Increase in Transfer of Funds- \$793,563
- Decrease in Multiple Departments- (\$476,446)

Capital Asset and Debt Administration

Capital Assets as of June 30, 2015 Net of Depreciation

| Capital Assets | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|--|--------------------------------|----------------------|---------------------------------|-----------------------|---------------------------------|----------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| Land | \$ 6,680,451 | \$ 6,680,451 | \$ 1,991,080 | \$ 1,991,080 | \$ 8,647,531 | 8,647,531 |
| Right-of-Way/Easements | 122,130 | 122,130 | - | - | 122,130 | 122,130 |
| Construction in Progress | 1,285,806 | 450,706 | 3,563,556 | 2,283,609 | 4,849,362 | 2,734,315 |
| Buildings | 101,004,058 | 101,004,058 | - | - | 101,004,058 | 101,004,058 |
| Improvements | 25,064,136 | 23,608,522 | - | - | 25,064,136 | 23,608,522 |
| Infrastructure | 18,831,280 | 18,802,800 | - | - | 18,831,280 | 18,802,800 |
| Machinery, Equipment and Vehicles | 19,124,340 | 17,511,118 | - | - | 19,124,340 | 17,511,118 |
| Capital Lease Property | 24,466,663 | 24,466,663 | - | - | 24,466,663 | 24,466,663 |
| Electric Plant | - | - | 68,850,484 | 65,550,731 | 68,850,484 | 65,550,731 |
| Water & Wastewater Plant | - | - | 126,695,517 | 124,607,484 | 126,695,517 | 124,607,484 |
| Stormwater Utility | - | - | 2,967,941 | 2,080,150 | 2,967,941 | 2,080,150 |
| Utility Plant Acquisition Costs | - | - | <u>162,770</u> | <u>162,770</u> | <u>162,770</u> | <u>162,770</u> |
| Total Capital Assets | 196,578,864 | 192,646,448 | 204,231,348 | 196,675,824 | 400,810,212 | 389,322,272 |
| Less: Accumulated Depreciation | <u>61,777,021</u> | <u>56,529,294</u> | <u>68,155,914</u> | <u>63,283,065</u> | <u>129,932,935</u> | <u>119,812,359</u> |
| Net Capital Assets | <u>134,801,843</u> | <u>136,117,154</u> | <u>136,075,434</u> | <u>133,392,759</u> | <u>270,877,277</u> | <u>269,509,913</u> |
| Net Capital Assets-Beginning | 136,117,154 | 138,737,822 | 133,392,759 | 132,770,086 | 269,509,913 | 271,507,908 |
| Increase (Decrease) in Net Capital Assets | <u>(1,315,311)</u> | <u>(2,620,668)</u> | <u>2,682,675</u> | <u>622,673</u> | <u>(1,367,364)</u> | <u>(1,997,995)</u> |
| Net Capital Assets- Ending | <u>\$ 134,801,843</u> | <u>\$136,117,154</u> | <u>\$136,075,434</u> | <u>\$ 133,392,759</u> | <u>\$270,877,277</u> | <u>\$269,509,913</u> |

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$270,877,277 net of accumulated depreciation, an increase of less than 1%, or \$1,367,364, year over year.

Total capital assets in the Governmental Activities category increased by \$3,932,416 while accumulated depreciation also increased by \$5,247,727, thereby resulting in a decrease in net capital assets of \$1,315,311. Significant additions to governmental assets between FY 2014 and FY 2015 were road improvements near Foothills Plaza in the amount of \$1.4 million, not including utility expenses, and a secure entry for Maryville High School in the amount of \$439,561. Construction in Progress as of 6/30/15 includes secure entries for Maryville elementary schools in the amount of \$470,000 and improvements to John Sevier Pool for \$250,000.

In the Business-Type Activities, there is an increase in Electric Plant assets of \$3,299,753. Water & Wastewater Plant assets increased by \$2,088,033 and Stormwater Utility assets rose by \$887,791. For both the Water and Sewer and Electric Departments, equipment replacement was a significant part of the FY 2015 Capital Asset program. In total, the two major utilities were scheduled to replace equipment in the amount of \$682,799.

Please refer to Note 6 beginning on page 44 of the report for further information regarding capital assets.

**Outstanding Long-Term Obligations
June 30, 2015**

| <u>Debt</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|-------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------------|
| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
| General Obligation/Rev Bonds | \$ 45,790,000 | \$ 47,340,000 | \$ 50,130,000 | \$52,120,000 | \$ 95,920,000 | \$ 99,460,000 |
| Public Improvement Loans | 2,325,000 | 2,720,000 | - | - | 2,325,000 | 2,720,000 |
| TN State School Bond | | | | | | |
| Authority Loan | 12,976,847 | 14,144,946 | - | - | 12,976,847 | 14,144,946 |
| TN State Revolving Fund Loans | - | - | 1,915,788 | 2,015,856 | 1,915,788 | 2,015,856 |
| Capital Lease Obligations | 20,593,645 | 21,254,792 | - | - | 20,593,645 | 21,254,792 |
| Premium on Bonds | <u>1,715,053</u> | <u>1,717,562</u> | <u>503,444</u> | <u>561,981</u> | <u>2,218,497</u> | <u>2,279,543</u> |
| Total Debt Payable | 83,400,545 | 87,177,300 | 52,549,232 | 54,697,837 | 135,949,777 | 141,875,137 |
| Compensated Absences | 1,643,327 | 1,555,239 | 1,664,000 | 1,639,514 | 3,307,327 | 3,194,753 |
| Net OPEB Obligation | <u>4,308,061</u> | <u>3,542,516</u> | <u>1,177,290</u> | <u>1,051,266</u> | <u>5,485,351</u> | <u>4,593,782</u> |
| Total Long Term Obligations | <u>\$ 89,351,933</u> | <u>\$ 92,275,055</u> | <u>\$ 55,390,522</u> | <u>\$ 57,388,617</u> | <u>\$ 144,742,455</u> | <u>\$ 149,663,672</u> |

As of June 30, 2015, the City had total bonded debt outstanding of \$81,683,492, comprised of general obligation debt backed by its full faith and credit pledge excluding original issue premium. In addition, the City is obligated for another \$52,045,788 in revenue debt issued for the Water & Wastewater and Electric utilities, excluding original issue premium. These revenue bonds, while carrying the credit support of the City's general obligation pledge, are repaid from net revenues of the appropriate utility.

On August 24, 2014, Standard & Poor's upgraded the City's General Obligation long term and underlying bond rating from AA- to AA. Standard & Poor's affirmed the AA rating/Stable outlook on April 6, 2015. The City's bond rating as assigned by Moody's Investors Service remains Aa3. See Note 7 beginning on page 46 for additional details.

The Charter of the City of Maryville limits the issuance of general obligation debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. The current debt limitation for the City is \$126,655,899 compared to the City's outstanding debt net of fund balance held in the Debt Service Fund of \$72,708,957. The legal debt margin is \$53,946,942. See Schedule 12 on page 161 in the Statistical Section of the report for additional details.

In FY 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires public sector employers to expense the cost of other (i.e. non-pension) employment benefits (OPEB) over the service years of their employees. The net OPEB obligation is the net amount for which the City would be obligated. The net OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims currently paid by the City on a pay-as-you-go basis. The City's net OPEB obligation, including Schools, at June 30, 2015 was \$5,485,351. Please see Note 9 beginning on page 59 for additional details.

The FY 2016 Budget

Highlights of the FY 2016 Budget include:

- A General Fund Appropriation Budget of \$37,765,249, an increase of \$2,151,578, or 5.7%, from the amended FY 2015 Budget of \$35,613,671.
- The FY 2016 General Fund Budget maintains the property tax rate of \$2.17 per \$100 of assessed valuation. For a residence valued at \$150,000, City property taxes for FY 2016 remain \$814, or \$68 per month.

The FY 2016 Budget

Highlights of the FY 2016 Budget include:

- A General Fund Appropriation Budget of \$37,765,249, an increase of \$2,151,578, or 5.7%, from the amended FY 2015 Budget of \$35,613,671.
- The FY 2016 General Fund Budget maintains the property tax rate of \$2.17 per \$100 of assessed valuation. For a residence valued at \$150,000, City property taxes for FY 2016 remain \$814, or \$68 per month.
- The FY 2016 Budget funds 304.5 full-time positions city-wide (general government services and utilities), an increase of 1.5 positions from the previous year.
- The FY 2016 Budget funds a cost of living increase for all employees of 2.0% and step raises for eligible employees of 2.5%.
- General Government capital projects funded and one-time operating expenses within the FY 2016 budget include:
 - Industrial Recruitment projects in the amount of \$732,200.
 - Road Improvements, primarily for the improvement of vehicle capacity in the area of Amerine Road and East Lamar Alexander Parkway, in the amount of \$579,800.
 - Funds for a 27th payroll, occurring every 11 years due to timing of the City's biweekly payroll schedule in the amount of \$428,877.
 - Additional funds for improvements at John Sevier Pool in the amount of \$110,000.
- The FY 2016 General Fund budget includes an additional \$771,284 over the FY 2015 Budget amount for payment of annual principal and interest due for the City's general obligation bonds. The total FY 2016 transfer from General Fund to Debt Service Fund is \$5,201,284.
- Water & Sewer capital projects totaling \$5,631,128 are scheduled for FY 2016 to focus primarily on system rehabilitation. There was no Water & Wastewater rate increase proposed for 7/1/2015.
- The capital plan for the Electric System includes ongoing system rehabilitation and maintenance, substation upgrades, new signal installation, equipment replacement and overhead and underground construction. The FY 2016 capital budget for the Electric Department is \$4,121,500. There was no Electric rate increase proposed by the City for 7/1/2015.
- The capital plan for the Stormwater Utility includes projects of \$275,560. There was no Stormwater rate increase proposed for 7/1/2015.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2015 and 2014

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> <u>2015</u> | <u>Total</u> <u>2014</u> |
|--|--|---|---|---|
| ASSETS: | | | | |
| Cash | \$ 5,191,533 | \$ 2,060,962 | \$ 7,252,495 | \$ 5,042,721 |
| Investments | 7,253,372 | 15,351,468 | 22,604,840 | 22,590,286 |
| Pooled cash | 2,667,825 | - | 2,667,825 | 2,100,508 |
| Pooled investments | 18,040,523 | - | 18,040,523 | 18,021,664 |
| Receivables: | | | | |
| Taxes, net | 21,386,144 | - | 21,386,144 | 19,971,719 |
| Accounts, net | 499,372 | 4,177,420 | 4,676,792 | 4,411,355 |
| Accrued interest | 6,550 | - | 6,550 | 5,536 |
| Rentals | - | 166,333 | 166,333 | 169,733 |
| Other | - | 585,565 | 585,565 | 604,770 |
| Internal balances | 416,890 | (416,890) | - | - |
| Due from other governments | 2,490,759 | - | 2,490,759 | 3,447,614 |
| Inventories | 436,150 | 1,648,553 | 2,084,703 | 2,018,357 |
| Net pension asset – school employees | 94,221 | - | 94,221 | - |
| Deferred refunding losses | 1,544,956 | - | 1,544,956 | - |
| Regulatory charges | - | 1,344,077 | 1,344,077 | 1,478,256 |
| Prepaid items/clearing accounts/other assets | - | 177,811 | 177,811 | 239,740 |
| Energy service loans receivable | - | 818,226 | 818,226 | 874,141 |
| Capital assets (net of accumulated depreciation and amortization): | | | | |
| Land | 6,680,451 | - | 6,680,451 | 6,680,451 |
| Rights-of-way/Easements | 122,130 | - | 122,130 | 122,130 |
| Buildings | 73,427,454 | - | 73,427,454 | 75,438,868 |
| Improvements | 18,662,350 | - | 18,662,350 | 17,962,483 |
| Infrastructure | 8,561,695 | - | 8,561,695 | 9,123,149 |
| Equipment, vehicles and software | 7,028,833 | - | 7,028,833 | 6,293,024 |
| Capital lease property | 19,033,124 | - | 19,033,124 | 20,046,343 |
| Electric plant in service | - | 40,003,917 | 40,003,917 | 38,496,912 |
| Water/sewer plant in service | - | 89,776,783 | 89,776,783 | 90,664,648 |
| Stormwater utility plant in service | - | 2,731,178 | 2,731,178 | 1,947,590 |
| Construction-in-progress | <u>1,285,806</u> | <u>3,563,556</u> | <u>4,849,362</u> | <u>2,734,315</u> |
| Total Assets | <u>194,830,138</u> | <u>161,988,959</u> | <u>356,819,097</u> | <u>350,486,313</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Pension deferrals | <u>3,992,414</u> | <u>508,948</u> | <u>4,501,362</u> | <u>-</u> |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION (Continued)
June 30, 2015 and 2014

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> <u>2015</u> | <u>Total</u> <u>2014</u> |
|--|--|---|---|---|
| LIABILITIES: | | | | |
| Accounts payable | 1,032,859 | 6,898,733 | 7,931,592 | 7,561,527 |
| Cash overdraft | - | - | - | 29,813 |
| Accrued payroll | 3,123,518 | - | 3,123,518 | 3,034,448 |
| Accrued interest payable | 146,590 | 123,154 | 269,744 | 262,041 |
| Other liabilities | 1,852,827 | 30,648 | 1,883,475 | 1,779,671 |
| Net pension obligation | 779,785 | 307,612 | 1,087,397 | - |
| Internal balances | - | - | - | - |
| Customer deposits | - | 1,573,867 | 1,573,867 | 1,495,521 |
| Advances from TVA for energy service loans | - | 818,226 | 818,226 | 874,141 |
| Refundable deposits | - | 133,800 | 133,800 | 177,600 |
| Long-term liabilities: | | | | |
| Due within one year | 4,629,002 | 2,801,063 | 7,430,065 | 7,016,415 |
| Due in more than one year | <u>84,722,931</u> | <u>52,589,459</u> | <u>137,312,390</u> | <u>142,647,256</u> |
| Total Liabilities | <u>96,287,512</u> | <u>65,276,562</u> | <u>161,564,074</u> | <u>164,878,433</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Deferred revenue | 19,197,281 | 122,005 | 19,319,286 | 18,047,547 |
| Pension deferrals | <u>11,377,051</u> | <u>1,425,603</u> | <u>12,802,654</u> | <u>-</u> |
| Total Deferred Inflows of Resources | <u>30,574,332</u> | <u>1,547,608</u> | <u>32,121,940</u> | <u>18,047,547</u> |
| NET POSITION: | | | | |
| Net investment in capital assets | 51,401,298 | 83,526,202 | 134,927,500 | 127,634,776 |
| Restricted for: | | | | |
| Special Revenue: | | | | |
| State Street Aid | 511,248 | - | 511,248 | 1,149,990 |
| Public Works | 215,432 | - | 215,432 | 375,012 |
| Education | 50,397 | - | 50,397 | 52,516 |
| Debt Service | 8,025,226 | - | 8,025,226 | 8,010,894 |
| Capital Projects | 1,291,269 | - | 1,291,269 | 1,257,434 |
| Unrestricted position | <u>10,465,838</u> | <u>12,147,535</u> | <u>22,613,373</u> | <u>29,079,711</u> |
| Total Net Position | <u>\$ 71,960,708</u> | <u>\$ 95,673,737</u> | <u>\$ 167,634,445</u> | <u>\$ 167,560,333</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | 2015 | | | 2014 |
| | | | | | Governmental Activities | Business-type Activities | Total | Total |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 4,819,297 | \$ 426,606 | \$ 2,400 | \$ - | \$ (4,390,291) | \$ - | \$ (4,390,291) | \$ (4,229,819) |
| Public Safety | 8,724,154 | 469,264 | 68,080 | 22,284 | (8,164,526) | - | (8,164,526) | (8,544,688) |
| Public Works | 7,114,555 | 494,520 | 154,056 | 425,537 | (6,040,442) | - | (6,040,442) | (6,290,250) |
| Culture and Recreation | 3,312,723 | 771,617 | 4,000 | 51,277 | (2,485,829) | - | (2,485,829) | (2,350,233) |
| Economic Development | 18,059 | 42,300 | - | - | 24,241 | - | 24,241 | 24,107 |
| Education | 49,261,478 | 2,596,645 | 22,644,502 | 95,575 | (23,924,756) | - | (23,924,756) | (25,205,702) |
| Debt Service: | | | | | | | | |
| Interest on long-term debt | 2,567,148 | - | - | - | (2,567,148) | - | (2,567,148) | (2,493,886) |
| Other debt service | 200,463 | - | - | - | (200,463) | - | (200,463) | (25,841) |
| Total Governmental Activities | <u>76,017,877</u> | <u>4,800,952</u> | <u>22,873,038</u> | <u>594,673</u> | <u>(47,749,214)</u> | <u>-</u> | <u>(47,749,214)</u> | <u>(49,116,312)</u> |
| Business-Type Activities: | | | | | | | | |
| Electric | 63,780,518 | 66,049,665 | - | - | - | 2,269,147 | 2,269,147 | 2,648,320 |
| Water and Sewer | 13,027,635 | 14,832,003 | - | 541,280 | - | 2,345,648 | 2,345,648 | 2,053,973 |
| Stormwater Utility | <u>1,039,904</u> | <u>1,387,354</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347,450</u> | <u>347,450</u> | <u>301,394</u> |
| Total Business-type Activities | <u>77,848,057</u> | <u>82,269,022</u> | <u>-</u> | <u>541,280</u> | <u>-</u> | <u>4,962,245</u> | <u>4,962,245</u> | <u>5,003,687</u> |
| Total Government | <u>\$ 153,865,934</u> | <u>\$ 87,069,974</u> | <u>\$ 22,873,038</u> | <u>\$ 1,135,953</u> | <u>(47,749,214)</u> | <u>4,962,245</u> | <u>(42,786,969)</u> | <u>(44,112,625)</u> |
| General Revenues: | | | | | | | | |
| Sales tax | | | | | 18,258,885 | - | 18,258,885 | 15,207,831 |
| State income taxes and excise taxes | | | | | 537,456 | - | 537,456 | 536,887 |
| Property taxes | | | | | 28,462,845 | - | 28,462,845 | 27,561,747 |
| Business taxes | | | | | 1,044,938 | - | 1,044,938 | 782,339 |
| Miscellaneous taxes | | | | | 3,005,430 | - | 3,005,430 | 3,025,884 |
| In-lieu-of taxes | | | | | 1,036,489 | - | 1,036,489 | 852,795 |
| Investment earnings | | | | | 256,400 | 14,813 | 271,213 | 232,176 |
| Miscellaneous | | | | | 1,817,076 | 8,400 | 1,825,476 | 1,690,375 |
| Gain on deletion of capital assets | | | | | 48,583 | 69,101 | 117,684 | 59,651 |
| Transfers – In-lieu-of-tax payments | | | | | <u>1,192,314</u> | <u>(1,192,314)</u> | <u>-</u> | <u>-</u> |
| Total General Revenues and Transfers | | | | | <u>55,660,416</u> | <u>(1,100,000)</u> | <u>54,560,416</u> | <u>49,949,685</u> |
| Change in Net Position | | | | | <u>7,911,202</u> | <u>3,862,245</u> | <u>11,773,447</u> | <u>5,837,060</u> |
| Net Position – Beginning | | | | | 74,022,527 | 93,537,806 | 167,560,333 | 161,723,273 |
| Restatement – See Note 1 (S) | | | | | <u>(9,973,021)</u> | <u>(1,726,314)</u> | <u>(11,699,335)</u> | <u>-</u> |
| Adjusted Net Position – Beginning | | | | | <u>64,049,506</u> | <u>91,811,492</u> | <u>155,860,998</u> | <u>161,723,273</u> |
| Net Position – Ending | | | | | <u>\$ 71,960,708</u> | <u>\$ 95,673,737</u> | <u>\$ 167,634,445</u> | <u>\$ 167,560,333</u> |

See accompanying independent auditors' report and notes

CITY OF MARYVILLE, TENNESSEE
BALANCE SHEET
Governmental Funds
June 30, 2015
With Comparative Totals at June 30, 2014

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>General</u> | <u>General Purpose School</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> | |
|--|-----------------------|--|--------------------------------|--|--|----------------------|
| | | | | | <u>2015</u> | <u>2014</u> |
| Assets: | | | | | | |
| Cash | \$ 182,184 | \$ 3,717,927 | \$ - | \$ 1,121,629 | \$ 5,021,740 | \$ 2,487,140 |
| Investments | - | 7,253,372 | - | - | 7,253,372 | 7,346,497 |
| Pooled Cash | 2,504,312 | - | - | 163,513 | 2,667,825 | 2,100,508 |
| Pooled Investments | 6,157,457 | - | 8,025,226 | 3,857,840 | 18,040,523 | 18,021,664 |
| Receivables: | | | | | | |
| Taxes | 20,256,431 | 1,274,685 | - | - | 21,531,116 | 20,120,900 |
| Less: Allowance for uncollectible taxes | (144,972) | - | - | - | (144,972) | (149,181) |
| Accounts | 118,786 | 14,202 | - | 121,190 | 254,178 | 171,156 |
| Accrued interest | 6,550 | - | - | - | 6,550 | 5,536 |
| Due from other governments | 2,024,397 | 277,264 | - | 189,098 | 2,490,759 | 3,447,614 |
| Inventories | - | - | - | 49,596 | 49,596 | 55,853 |
| Due from other funds | 16,550 | 330,189 | - | - | 346,739 | 741,195 |
| Prepaid items | - | - | - | - | - | 7,791 |
| Total Assets | <u>31,121,695</u> | <u>12,867,639</u> | <u>8,025,226</u> | <u>5,502,866</u> | <u>57,517,426</u> | <u>54,356,673</u> |
| Deferred Outflow of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 31,121,695</u> | <u>\$ 12,867,639</u> | <u>\$ 8,025,226</u> | <u>\$ 5,502,866</u> | <u>\$ 57,517,426</u> | <u>\$ 54,356,673</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 568,762 | \$ - | \$ - | \$ 297,673 | \$ 866,435 | \$ 701,585 |
| Due to other funds | 2,081,092 | - | - | 420,482 | 2,501,574 | 3,193,693 |
| Accrued payroll | - | 3,123,518 | - | - | 3,123,518 | 3,034,448 |
| Other liabilities | 49,050 | 1,803,777 | - | - | 1,852,827 | 1,760,704 |
| Total Liabilities | <u>2,698,904</u> | <u>4,927,295</u> | <u>-</u> | <u>718,155</u> | <u>8,344,354</u> | <u>8,690,430</u> |
| Deferred Inflow of Resources: | | | | | | |
| Deferred Revenue | <u>19,702,427</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,702,427</u> | <u>18,572,612</u> |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
BALANCE SHEET (Continued)
Governmental Funds
June 30, 2015
With Comparative Totals at June 30, 2014

| | <u>General</u> | <u>General Purpose School</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> | |
|--|----------------------|---------------------------------------|-------------------------|---|---------------------------------|----------------------|
| | | | | | <u>2015</u> | <u>2014</u> |
| Fund Balances: | | | | | | |
| Nonspendable | - | - | - | 49,596 | 49,596 | 63,644 |
| Restricted | - | - | - | 2,086,536 | 2,086,536 | 2,240,767 |
| Committed | - | - | - | 895,136 | 895,136 | 906,264 |
| Assigned (2016 Budget) | 896,783 | 7,940,344 | 8,025,226 | 1,753,443 | 18,615,796 | 17,638,212 |
| Unassigned | <u>7,823,581</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,823,581</u> | <u>6,244,744</u> |
| Total Fund Balances | <u>8,720,364</u> | <u>7,940,344</u> | <u>8,025,226</u> | <u>4,784,711</u> | <u>29,470,645</u> | <u>27,093,631</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 31,121,695</u> | <u>\$ 12,867,639</u> | <u>\$ 8,025,226</u> | <u>\$ 5,502,866</u> | <u>\$ 57,517,426</u> | <u>\$ 54,356,673</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
June 30, 2015
With Comparative Totals at June 30, 2014

| Fund Balances – Total Governmental Funds | <u>2015</u> \$ 29,470,645 | <u>2014</u> \$ 27,093,631 |
|--|------------------------------|------------------------------|
| Amounts to be reported for governmental activities in the statement of net position are different because: | | |
| (1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 134,450,475 | 135,659,119 |
| (2) Certain earned amounts are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | 505,146 | 525,065 |
| (3) Internal service funds are used by management to charge the cost of fleet maintenance/data processing services, workers' compensation, employee health and dental benefits, and facilities operation and maintenance to individual funds. The assets and liabilities are included in governmental activities in the statement of net position. | 3,558,210 | 3,154,061 |
| (4) Losses on the advance refunding of debt are expensed when incurred in the governmental funds. The unamortized portion of these losses is reflected on the statement of net position. | 1,544,956 | - |
| (5) Interest costs of long-term debt is expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net position. | (146,590) | (134,294) |
| (6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: | | |
| Deferred outflows related to pensions | \$ 3,992,414 | |
| Less: deferred inflows related to pensions | <u>(11,377,051)</u> | - |
| (7) Net pension assets of the agent plan are not current financial resources and, therefore, are not reported in the governmental funds. | 94,221 | - |
| (8) Net pension obligations of the agent plan are not due and payable in the current period and, therefore, are not reported in the governmental funds. | (779,785) | - |
| (9) Long-term liability for other post-employment benefits is expensed when due in the governmental funds. Such costs incurred as of the balance sheet date are accrued in the statement of net position. | (4,308,061) | (3,542,516) |
| (10) Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Notes Payable | \$ 15,301,847 | |
| Bonds Payable | 45,790,000 | |
| Compensated Absences | 1,643,327 | |
| Capital Lease Obligations | 20,593,645 | |
| Premium on Bonds and Capital Lease Obligations (net of accumulated amortization) | <u>1,715,053</u> | <u>(85,043,872)</u> |
| | | <u>(88,732,539)</u> |
| Net Position of Governmental Activities | <u>\$ 71,960,708</u> | <u>\$ 74,022,527</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>General</u> | <u>General Purpose School</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> | |
|------------------------------|-------------------|---------------------------------------|-------------------------|---|---------------------------------|-------------------|
| | | | | | <u>2015</u> | <u>2014</u> |
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | \$ 18,648,367 | \$ 10,170,470 | \$ - | \$ - | \$ 28,818,837 | \$ 28,108,082 |
| Local option sales taxes | 9,015,287 | 7,167,580 | - | - | 16,182,867 | 13,243,993 |
| Other taxes | 3,883,272 | 134,426 | - | - | 4,017,698 | 3,541,797 |
| Licenses, permits and fees | 27,851 | 242,678 | - | 56,832 | 327,361 | 312,295 |
| Intergovernmental - | | | | | | |
| Unrestricted: | | | | | | |
| State taxes | 2,874,560 | 99,762 | - | 722,084 | 3,696,406 | 3,564,559 |
| Restricted: | | | | | | |
| Federal grants | - | - | - | 2,005,768 | 2,005,768 | 1,982,643 |
| State grants | - | 337,091 | - | 91,009 | 428,100 | 575,375 |
| U.S.D.A. revenues | - | - | - | 1,036,561 | 1,036,561 | 1,075,417 |
| Other state revenues | - | 19,203,712 | - | - | 19,203,712 | 19,280,573 |
| Other federal revenues | - | 29,552 | - | - | 29,552 | 82,868 |
| Other local revenues | - | - | - | 309,998 | 309,998 | 282,223 |
| Charges for services | 930,927 | 501,196 | - | 2,755,063 | 4,187,186 | 3,884,772 |
| Fines, forfeitures and costs | 52,595 | - | - | 7,518 | 60,113 | 104,753 |
| Investment income | 51,006 | 6,876 | 198,518 | - | 256,400 | 217,444 |
| Miscellaneous revenue | <u>185,692</u> | <u>54,872</u> | <u>1,141,183</u> | <u>801,403</u> | <u>2,183,150</u> | <u>1,748,640</u> |
| Total Revenues | <u>35,669,557</u> | <u>37,948,215</u> | <u>1,339,701</u> | <u>7,786,236</u> | <u>82,743,709</u> | <u>78,005,434</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 3,353,544 | - | - | 347,161 | 3,700,705 | 2,677,974 |
| Public safety | 8,485,447 | - | - | 104,503 | 8,589,950 | 8,278,238 |
| Public works | 5,696,625 | - | - | 595,986 | 6,292,611 | 6,171,951 |
| Culture and recreation | 1,425,576 | - | - | 937,517 | 2,363,093 | 2,186,943 |
| Economic Development | - | - | - | 8,954 | 8,954 | 10,463 |
| Nondepartmental costs | 1,292,612 | - | - | - | 1,292,612 | 1,018,871 |
| Education | - | 45,292,734 | - | 4,977,250 | 50,269,984 | 48,195,673 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>General</u> | <u>General Purpose School</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> | |
|---|----------------------------|---------------------------------------|----------------------------|---|-------------------------------------|-----------------------------|
| | | | | | <u>2015</u> | <u>2014</u> |
| Expenditures (Continued): | | | | | | |
| Debt Service: | | | | | | |
| Principal retirement | - | - | 3,138,099 | - | 3,138,099 | 3,073,104 |
| Interest and fiscal fees | - | - | 2,119,402 | - | 2,119,402 | 2,049,671 |
| Payments under Capital lease | 113,133 | - | 1,141,183 | - | 1,254,316 | 1,265,876 |
| Capital Outlay | <u>96,675</u> | <u>864,953</u> | <u>-</u> | <u>1,729,713</u> | <u>2,691,341</u> | <u>2,357,425</u> |
| Total Expenditures | <u>20,463,612</u> | <u>46,157,687</u> | <u>6,398,684</u> | <u>8,701,084</u> | <u>81,721,067</u> | <u>77,286,189</u> |
| Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses) | <u>15,205,945</u> | <u>(8,209,472)</u> | <u>(5,058,983)</u> | <u>(914,848)</u> | <u>1,022,642</u> | <u>719,245</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | 1,492,314 | 9,222,500 | 4,905,000 | 1,345,194 | 16,965,008 | 16,754,267 |
| Transfers Out | (15,772,694) | - | - | - | (15,772,694) | (15,281,830) |
| Proceeds from refunding debt | - | - | 9,998,315 | - | 9,998,315 | - |
| Payments to refunding agent | <u>-</u> | <u>-</u> | <u>(9,830,000)</u> | <u>-</u> | <u>(9,830,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(14,280,380)</u> | <u>9,222,500</u> | <u>5,073,315</u> | <u>1,345,194</u> | <u>1,360,629</u> | <u>1,472,437</u> |
| Net Change in Fund Balance | 925,565 | 1,013,028 | 14,332 | 430,346 | 2,383,271 | 2,191,682 |
| Fund Balance, July 1 st | 7,794,799 | 6,927,316 | 8,010,894 | 4,360,622 | 27,093,631 | 24,911,748 |
| Change in Reserve for Inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>(6,257)</u> | <u>(6,257)</u> | <u>(9,799)</u> |
| Fund Balance, June 30th | <u>\$ 8,720,364</u> | <u>\$ 7,940,344</u> | <u>\$ 8,025,226</u> | <u>\$ 4,784,711</u> | <u>\$ 29,470,645</u> | <u>\$ 27,093,631</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|----------------------------|
| Net change in fund balances – total governmental funds | \$ 2,377,014 | \$ 2,181,883 |
| Amounts reported for the governmental activities in the statement of activities are different because: | | |
| (1) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | |
| Change in accrued interest payable | \$ (12,296) | |
| Change in accrual for compensated absences | (88,088) | |
| Change in accrual for post-employment benefit obligations | (765,545) | |
| Change in net pension liability/asset | (685,564) | |
| Change in deferred outflows related to pensions | 3,992,414 | |
| Change in deferred inflows related to pensions | <u>329,494</u> | (784,803) |
| | 2,770,415 | |
| (2) Certain revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds. | (19,919) | (177,517) |
| (3) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | (1,168,046) | (2,453,615) |
| (4) Governmental funds only report the disposal or deletion of capital assets to the extent proceeds are received from the disposal or deletion. In the statement of activities, gains and losses are recorded for disposals or deletions based on both the proceeds and the net book value of the disposed or deleted capital assets. This is the amount by which the proceeds exceeded the deleted capital assets in the current period. | 48,583 | 28,668 |
| (5) Governmental Funds report proceeds received from the sale of capital assets as revenues. In the statement of activities, only the gain or loss on the sale of capital assets is recorded. This is the amount of proceeds from the sale of capital assets. | (89,181) | (102,151) |
| (6) Bond premium is reported as other financing sources in the governmental funds, but is capitalized and amortized in the statement of net position. This is the amount of bond premium amortization. | 145,824 | 145,227 |
| (7) Debt refunding losses are recorded in the governmental funds when paid, but are capitalized and amortized in the statement of net position. This is the amount by which current- year debt refunding losses exceed current-year amortization. | (188,568) | - |
| (8) The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which the retirement of long-term debt exceeded debt proceeds in the current period. | 3,630,931 | 3,715,958 |
| (9) The net revenues (expenditures) of certain activities of internal service funds is reported with governmental activities. | <u>404,149</u> | <u>(301,955)</u> |
| Changes in net position of governmental activities | <u>\$ 7,911,202</u> | <u>\$ 2,251,695</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|--|-------------------|-------------------|----------------------------------|--|-------------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 17,525,000 | \$ 18,014,883 | \$ 18,362,065 | \$ 347,182 | \$ 17,749,206 |
| Interest and penalties on property tax | 315,000 | 286,302 | 286,302 | - | 321,698 |
| In lieu of taxes - TVA | 300,000 | 319,147 | 319,147 | - | 304,648 |
| In lieu of taxes – Other | 429,366 | 582,916 | 582,916 | - | 464,832 |
| Local sales tax | 8,500,000 | 9,015,286 | 9,015,287 | 1 | 7,574,097 |
| City beer tax | 1,185,000 | 1,182,718 | 1,184,674 | 1,956 | 1,170,350 |
| City liquor tax | 280,000 | 305,592 | 304,636 | (956) | 288,568 |
| Gross receipts tax | 600,000 | 804,893 | 804,893 | - | 560,940 |
| Franchise taxes | 590,000 | 675,658 | 675,658 | - | 658,053 |
| Hotel/Motel taxes | 9,000 | 11,348 | 11,348 | - | 11,091 |
| | <u>29,733,366</u> | <u>31,198,743</u> | <u>31,546,926</u> | <u>348,183</u> | <u>29,103,483</u> |
| Licenses, Permits, and Fees: | <u>28,000</u> | <u>27,851</u> | <u>27,851</u> | - | <u>28,728</u> |
| Intergovernmental: | | | | | |
| State mixed drink tax | 85,000 | 93,860 | 93,860 | - | 169,679 |
| State beer tax | 13,000 | 13,300 | 13,170 | (130) | 13,030 |
| State income tax | 250,000 | 472,118 | 472,118 | - | 502,097 |
| State sales tax | 1,925,000 | 2,076,017 | 2,076,018 | 1 | 1,963,838 |
| State transportation tax | 55,000 | 56,187 | 56,187 | - | 69,245 |
| State excise tax | 30,000 | 65,338 | 65,338 | - | 34,790 |
| State street maintenance contract | 55,000 | 102,551 | 97,869 | (4,682) | 56,366 |
| | <u>2,413,000</u> | <u>2,879,371</u> | <u>2,874,560</u> | <u>(4,811)</u> | <u>2,809,045</u> |
| Charges for Services: | | | | | |
| Code enforcement services | 160,000 | 271,377 | 271,377 | - | 163,857 |
| Planning services | 11,000 | 12,958 | 12,958 | - | 9,620 |
| Public Works sales | 45,000 | 80,052 | 80,052 | - | 63,293 |
| Engineering services | 14,000 | 19,406 | 19,406 | - | 14,132 |
| Animal control services | 11,000 | 11,000 | 14,423 | 3,423 | 15,351 |
| Solid waste management services | 383,500 | 383,500 | 382,104 | (1,396) | 383,464 |
| Clerk’s fees | 10,000 | 9,315 | 9,315 | - | 13,122 |
| Rent | 30,000 | 40,766 | 97,333 | 56,567 | 32,628 |
| Other services | 5,000 | 17,318 | 43,959 | 26,641 | 6,272 |
| | <u>669,500</u> | <u>845,692</u> | <u>930,927</u> | <u>85,235</u> | <u>701,739</u> |
| Fines, Forfeitures and Court Costs: | | | | | |
| Fines and Costs | 68,000 | 52,310 | 52,310 | - | 71,909 |
| Parking | <u>1,200</u> | <u>285</u> | <u>285</u> | - | <u>1,135</u> |
| | <u>69,200</u> | <u>52,595</u> | <u>52,595</u> | - | <u>73,044</u> |
| Investment Income | <u>45,000</u> | <u>31,356</u> | <u>51,006</u> | <u>19,650</u> | <u>57,409</u> |
| Other Revenues | <u>25,050</u> | <u>183,978</u> | <u>185,692</u> | <u>1,714</u> | <u>21,902</u> |
| Total Revenues | <u>32,983,116</u> | <u>35,219,586</u> | <u>35,669,557</u> | <u>449,971</u> | <u>32,795,350</u> |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| June 30, 2015 | | | | | |
|-----------------------------------|------------------|---------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures: | | | | | |
| General Government: | | | | | |
| Administration: | | | | | |
| Salaries and related costs | 459,026 | 442,207 | 438,132 | 4,075 | 434,748 |
| Advertising and publications | 4,075 | 1,384 | 1,384 | - | 1,046 |
| Communications | 1,400 | 1,800 | 1,759 | 41 | 1,327 |
| Membership | 1,050 | 1,650 | 1,536 | 114 | 1,045 |
| Vehicle maintenance | 1,127 | 1,836 | 1,836 | - | 1,066 |
| Printing and duplication | 3,150 | 3,150 | 2,155 | 995 | 1,252 |
| Training | 1,000 | 1,300 | 380 | 920 | 186 |
| Travel | 1,150 | 850 | 704 | 146 | 180 |
| Professional services | 10,290 | 3,820 | 3,820 | - | 535 |
| Computer operations | 1,221 | 3,243 | 2,740 | 503 | 5,190 |
| Motor fuels and lubricants | 2,800 | 2,800 | 1,091 | 1,709 | 2,075 |
| Office supplies | 900 | 900 | 477 | 423 | 488 |
| Other supplies | 150 | 150 | - | 150 | 43 |
| Insurance | 1,485 | 1,540 | 1,540 | - | 1,239 |
| Miscellaneous | 4,698 | 4,329 | 3,405 | 924 | 3,252 |
| | 493,522 | 470,959 | 460,959 | 10,000 | 453,672 |
| Development Services: | | | | | |
| Salaries and related costs | 785,833 | 706,686 | 706,103 | 583 | 646,315 |
| Advertising and publications | 3,500 | 4,266 | 4,266 | - | 3,023 |
| Communications | 4,699 | 4,594 | 3,488 | 1,106 | 3,519 |
| Memberships | 2,412 | 2,411 | 2,324 | 87 | 2,152 |
| Vehicle maintenance | 5,567 | 5,839 | 5,839 | - | 5,697 |
| Printing and duplication | 2,770 | 2,770 | 1,197 | 1,573 | 1,781 |
| Training | 3,379 | 2,763 | 2,184 | 579 | 2,100 |
| Travel | 2,411 | 2,411 | 1,803 | 608 | 1,296 |
| Professional services | 17,866 | 48,366 | 39,422 | 8,944 | 5,229 |
| Computer operations | 1,855 | 7,105 | 6,634 | 471 | 9,279 |
| Motor fuels and lubricants | 4,700 | 4,428 | 3,540 | 888 | 4,213 |
| Office supplies | 1,250 | 1,250 | 1,017 | 233 | 549 |
| Other supplies | 2,845 | 3,445 | 2,873 | 572 | 1,182 |
| Insurance | 6,739 | 6,739 | 6,728 | 11 | 5,263 |
| Environmental maintenance | 6,000 | 4,790 | 1,200 | 3,590 | - |
| Demolition of condemned buildings | 35,000 | 4,207 | 17 | 4,190 | - |
| Miscellaneous | 6,202 | 7,668 | 6,103 | 1,565 | 14,210 |
| | 893,028 | 819,738 | 794,738 | 25,000 | 705,808 |
| Judicial/Legal: | | | | | |
| Salaries and related costs | 104,126 | 99,719 | 90,205 | 9,514 | 88,201 |
| Legal services | 85,740 | 85,897 | 85,378 | 519 | 91,045 |
| Miscellaneous | 3,783 | 8,033 | 7,964 | 69 | 591 |
| | 193,649 | 193,649 | 183,547 | 10,102 | 179,837 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|--|------------------|---------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures (Continued): | | | | | |
| General Government (Continued): | | | | | |
| Human Resources: | | | | | |
| Salaries and related costs | 239,927 | 239,719 | 236,602 | 3,117 | 231,678 |
| Advertising and publications | 100 | 100 | 18 | 82 | - |
| Communications | 996 | 996 | 964 | 32 | 966 |
| Membership | 445 | 469 | 469 | - | 429 |
| Vehicle maintenance | 689 | 989 | 989 | - | 1,504 |
| Printing and duplication | 2,500 | 2,500 | 794 | 1,706 | 1,512 |
| Training | 1,575 | 1,575 | 1,423 | 152 | 1,317 |
| Travel | 990 | 990 | 802 | 188 | 724 |
| Professional services | 15,000 | 6,891 | 3,548 | 3,343 | 5,967 |
| Safety programs | 500 | 500 | - | 500 | 237 |
| Computer operations | 559 | 2,529 | 2,434 | 95 | 1,153 |
| Motor fuels and lubricants | 130 | 130 | 72 | 58 | 117 |
| Office supplies | 750 | 750 | 714 | 36 | 605 |
| Other supplies | 300 | 276 | 6 | 270 | - |
| Miscellaneous | 3,475 | 3,383 | 2,962 | 421 | 2,634 |
| | 267,936 | 261,797 | 251,797 | 10,000 | 248,843 |
| Finance: | | | | | |
| Salaries and related costs | 271,845 | 267,486 | 267,486 | - | 263,690 |
| Communications | 75 | 46 | 46 | - | 45 |
| Membership | 360 | 326 | 326 | - | 322 |
| Postage | 10,350 | 8,650 | 8,650 | - | 9,000 |
| Printing and duplication | 2,300 | 1,776 | 1,776 | - | 2,357 |
| Training | 1,000 | 200 | 200 | - | 600 |
| Professional services | 110,500 | 151,199 | 141,109 | 10,090 | 72,882 |
| Computer operations | 483 | 1,314 | 1,314 | - | 1,976 |
| Bank charges | 15,000 | 15,872 | 15,872 | - | 14,175 |
| Office supplies | 1,806 | 1,045 | 1,045 | - | 1,092 |
| Miscellaneous | 1,809 | 643 | 732 | (89) | 655 |
| | 415,528 | 448,557 | 438,556 | 10,001 | 366,794 |
| Purchasing: | | | | | |
| Salaries and related costs | 34,721 | 34,683 | 34,683 | - | 34,212 |
| Communications | 40 | 16 | 16 | - | 24 |
| Membership | 344 | 265 | 265 | - | 352 |
| Printing and duplication | 60 | 45 | 45 | - | 12 |
| Computer operations | - | 248 | 248 | - | 113 |
| Office supplies | 107 | 13 | 4 | 9 | 26 |
| Miscellaneous | 50 | 52 | 52 | - | 40 |
| | 35,322 | 35,322 | 35,313 | 9 | 34,779 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|---------------------------------|------------------|-----------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures (Continued): | | | | | |
| General Government (Continued): | | | | | |
| Legislative: | | | | | |
| Salaries and related costs | 14,856 | 1,938 | 1,938 | - | 1,938 |
| Advertising and publications | 2,000 | 1,837 | 1,837 | - | 1,073 |
| Membership | 13,400 | 11,963 | 11,963 | - | 8,296 |
| Postage | 200 | 14 | 14 | - | - |
| Printing and duplication | 1,200 | 789 | 789 | - | 942 |
| Training | 1,650 | 1,475 | 1,475 | - | 1,100 |
| Travel | 4,900 | 6,957 | 6,957 | - | 4,516 |
| Election services | 1,500 | 1,450 | 1,450 | - | 28,301 |
| Professional services | 36,925 | 15,091 | 15,091 | - | 55,119 |
| Community support | 376,748 | 1,140,563 | 1,138,570 | 1,993 | 225,636 |
| Office supplies | 700 | 555 | 555 | - | 413 |
| Miscellaneous | 8,485 | 11,002 | 7,995 | 3,007 | 10,152 |
| | 462,564 | 1,193,634 | 1,188,634 | 5,000 | 337,486 |
| Total General Government | 2,761,549 | 3,423,656 | 3,353,544 | 70,112 | 2,327,219 |
| Public Safety: | | | | | |
| Police Department: | | | | | |
| Salaries and related costs | 4,047,378 | 3,877,285 | 3,877,285 | - | 3,793,221 |
| Advertising and publications | 2,800 | 2,348 | 2,348 | - | 1,494 |
| Communications | 48,447 | 49,956 | 49,956 | - | 38,478 |
| Membership | 11,570 | 10,635 | 10,635 | - | 11,032 |
| Auto licenses | 1,248 | 343 | 343 | - | 543 |
| Vehicle maintenance | 133,328 | 151,859 | 151,859 | - | 140,075 |
| Vehicle parts | 45,600 | 41,387 | 41,387 | - | 34,416 |
| Printing and duplication | 8,400 | 9,020 | 9,020 | - | 7,486 |
| Training | 42,050 | 22,885 | 22,885 | - | 22,962 |
| Travel | 42,450 | 22,283 | 22,283 | - | 12,894 |
| Medical and vet services | 8,300 | 6,364 | 6,364 | - | 9,203 |
| Professional services | 56,534 | 50,458 | 50,458 | - | 31,622 |
| Public relations | 2,000 | 2,497 | 2,497 | - | 1,488 |
| Safety programs | - | - | - | - | 171 |
| Informant services | 3,000 | - | - | - | - |
| Crime prevention programs | 5,000 | 3,986 | 3,986 | - | 2,164 |
| Computer operations | 79,406 | 147,363 | 147,263 | 100 | 82,328 |
| Motor fuels and lubricants | 160,000 | 113,887 | 108,932 | 4,955 | 149,738 |
| Office supplies | 6,500 | 6,500 | 5,230 | 1,270 | 5,032 |
| Operating supplies | 59,945 | 57,191 | 55,946 | 1,245 | 32,363 |
| Other supplies | 1,500 | 1,500 | 1,134 | 366 | 949 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | Actual | Variance with | |
|------------------------------------|------------------|-----------|------------|---------------|-----------|
| | Budgeted Amounts | | Amounts | Final Budget | Total |
| | Original | Final | (Budgetary | Positive | 2014 |
| | | | Basis) | (Negative) | |
| Expenditures (Continued): | | | | | |
| Public Safety (Continued): | | | | | |
| Police Department(Continued): | | | | | |
| Uniforms | 47,779 | 39,652 | 36,821 | 2,831 | 26,605 |
| Rent | - | - | - | - | 3,200 |
| Emergency communications | | | | | |
| funding (911 services) | 162,396 | 151,064 | 151,064 | - | 151,064 |
| Insurance | 54,315 | 59,230 | 59,230 | - | 47,536 |
| Communications system | 26,500 | 17,000 | 16,979 | 21 | 20,792 |
| Miscellaneous | 5,821 | 4,400 | 3,241 | 1,159 | 3,910 |
| | 5,062,267 | 4,849,093 | 4,837,146 | 11,947 | 4,630,766 |
| Animal Control: | | | | | |
| Salaries and related costs | 196,542 | 196,542 | 194,777 | 1,765 | 187,950 |
| Memberships | 1,000 | 1,000 | 480 | 520 | 385 |
| Utilities | 5,598 | 5,598 | 3,562 | 2,036 | 3,870 |
| Communication | 1,380 | 1,380 | 1,318 | 62 | 1,112 |
| Repair and maintenance – Vehicles | | | | | |
| and equipment | 5,851 | 5,192 | 4,195 | 997 | 7,251 |
| Building maintenance | 2,545 | 4,345 | 4,175 | 170 | 285 |
| Travel | - | - | - | - | 232 |
| Office supplies | 200 | 200 | 146 | 54 | - |
| Medical services | 11,000 | 11,000 | 10,142 | 858 | 6,557 |
| Chemical, lab and medical supplies | 100 | 300 | 244 | 56 | 163 |
| Other supplies | 6,448 | 6,843 | 5,976 | 867 | 6,042 |
| Uniforms | 1,200 | 1,200 | 792 | 408 | 806 |
| Motor fuels and lubricants | 4,900 | 4,900 | 3,464 | 1,436 | 4,635 |
| Consumable tools | 600 | 600 | - | 600 | 121 |
| Insurance | 3,353 | 3,377 | 3,377 | - | 2,686 |
| Printing and duplication | 1,000 | 800 | 134 | 666 | 745 |
| Training | 400 | 540 | 540 | - | - |
| Other expenditures | 2,786 | 1,086 | 565 | 521 | 713 |
| | 244,903 | 244,903 | 233,887 | 11,016 | 223,553 |
| Fire Department: | | | | | |
| Salaries and related costs | 3,134,022 | 3,057,415 | 3,057,071 | 344 | 2,943,995 |
| Advertising and publications | 750 | 872 | 872 | - | 622 |
| Communications | 10,784 | 13,142 | 13,142 | - | 7,061 |
| Membership | 6,316 | 5,934 | 5,934 | - | 4,917 |
| Vehicle maintenance | 64,241 | 72,712 | 72,712 | - | 59,384 |
| Vehicle parts | 4,700 | 739 | 739 | - | 2,548 |
| Printing and duplication | 3,550 | 3,438 | 3,438 | - | 2,754 |
| Training | 7,775 | 5,663 | 5,663 | - | 6,336 |
| Travel | 6,350 | 6,664 | 6,664 | - | 12,564 |
| Medical and vet services | 10,236 | 6,376 | 6,376 | - | 6,482 |
| Professional services | 11,700 | 12,166 | 12,166 | - | 8,969 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|------------------------------|------------------|-----------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures (Continued): | | | | | |
| Public Safety (Continued): | | | | | |
| Fire Department (Continued): | | | | | |
| Public relations | 5,000 | 5,246 | 5,246 | - | 159 |
| Fire safety programs | 6,300 | 6,261 | 6,261 | - | 2,297 |
| Computer operations | 12,311 | 12,181 | 12,181 | - | 8,986 |
| Motor fuels and lubricants | 25,000 | 15,947 | 15,947 | - | 21,348 |
| Office supplies | 2,500 | 1,016 | 1,016 | - | 1,813 |
| Operating supplies | 38,735 | 31,660 | 30,766 | 894 | 37,612 |
| Other supplies | 2,000 | 2,298 | 2,298 | - | 6,137 |
| Uniforms | 22,500 | 21,912 | 21,912 | - | 22,991 |
| Equipment rental | 91,000 | 93,837 | 93,837 | - | 90,999 |
| Emergency management | 15,608 | - | - | - | 975 |
| Insurance | 33,051 | 37,475 | 37,475 | - | 28,787 |
| Communications system | - | - | - | - | 8,583 |
| Miscellaneous | 4,295 | 2,852 | 2,698 | 154 | 1,192 |
| | 3,518,724 | 3,415,806 | 3,414,414 | 1,392 | 3,287,511 |
| Total Public Safety | 8,825,894 | 8,509,802 | 8,485,447 | 24,355 | 8,141,830 |
| Public Works – Streets: | | | | | |
| Salaries and related costs | 695,663 | 709,288 | 700,034 | 9,254 | 684,619 |
| Communications | 1,219 | 1,000 | 1,000 | - | 946 |
| Membership | 137 | 138 | 138 | - | 134 |
| Auto licenses | 105 | 87 | 87 | - | 58 |
| Vehicle maintenance | 80,932 | 103,029 | 103,029 | - | 84,876 |
| Printing and duplication | 380 | 328 | 328 | - | 503 |
| Training | 116 | 183 | 183 | - | 105 |
| Medical and vet services | 1,375 | 982 | 982 | - | 1,000 |
| Asphalt filler | 49,000 | 41,053 | 41,053 | - | 41,834 |
| Concrete and cement | 15,000 | 9,499 | 9,498 | 1 | 14,315 |
| Crushed stone | 1,000 | 1,092 | 1,092 | - | 717 |
| Paint supplies | 13,000 | 8,035 | 8,035 | - | 7,943 |
| Shop supplies | 23,500 | 18,837 | 18,837 | - | 13,286 |
| Gravel and sand | 1,000 | 550 | 550 | - | 272 |
| Ice removal supplies | 22,500 | 31,273 | 30,875 | 398 | 19,533 |
| Other operating supplies | 3,630 | 2,567 | 2,220 | 347 | 5,059 |
| Small tools | 2,500 | 2,398 | 2,398 | - | 3,487 |
| Computer operations | 125 | 142 | 142 | - | 8,733 |
| Motor fuels and lubricants | 46,053 | 37,895 | 37,895 | - | 43,991 |
| Office supplies | 230 | 155 | 155 | - | 127 |
| Uniforms | 5,200 | 5,193 | 5,193 | - | 2,789 |
| Insurance | 14,448 | 15,184 | 15,184 | - | 12,024 |
| Miscellaneous | 2,619 | 2,096 | 2,096 | - | 295 |
| | 979,732 | 991,004 | 981,004 | 10,000 | 946,646 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|-----------------------------------|------------------|-----------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures (Continued): | | | | | |
| Public Works: | | | | | |
| Public Works – Grounds: | | | | | |
| Salaries and related costs | 763,812 | 764,249 | 758,449 | 5,800 | 730,032 |
| Advertising and publications | 100 | 100 | - | 100 | 59 |
| Communications | 973 | 973 | 691 | 282 | 680 |
| Membership | 55 | 55 | 55 | - | 54 |
| Vehicle licenses | 90 | 90 | 87 | 3 | 20 |
| Vehicle maintenance | 77,501 | 77,501 | 75,030 | 2,471 | 84,608 |
| Printing and duplication | 400 | 400 | 360 | 40 | 539 |
| Training | 476 | 476 | 397 | 79 | 356 |
| Medical and vet services | 1,415 | 1,415 | 922 | 493 | 735 |
| Grounds maintenance | 13,300 | 11,669 | 10,122 | 1,547 | 16,253 |
| Operating supplies | 5,550 | 5,550 | 5,463 | 87 | 7,072 |
| Professional services | 4,500 | 1,996 | 150 | 1,846 | - |
| Small tools | 3,000 | 3,000 | 1,458 | 1,542 | 2,726 |
| Computer operations | 125 | 142 | 142 | - | 1,323 |
| Motor fuels and lubricants | 29,000 | 26,738 | 23,313 | 3,425 | 29,227 |
| Office supplies | 200 | 200 | 169 | 31 | 134 |
| Uniforms | 4,620 | 4,620 | 4,004 | 616 | 2,359 |
| Insurance | 8,428 | 8,568 | 8,568 | - | 6,696 |
| Miscellaneous | 2,373 | 8,176 | 8,079 | 97 | 385 |
| | 915,918 | 915,918 | 897,459 | 18,459 | 883,258 |
| Public Works - Solid Waste: | | | | | |
| Salaries and related costs | 1,445,633 | 1,452,033 | 1,298,733 | 153,300 | 1,382,378 |
| Publication of notices | 600 | 300 | 137 | 163 | 159 |
| Communication | 1,746 | 2,143 | 1,605 | 538 | 1,115 |
| Repair and maintenance – vehicles | 251,661 | 283,072 | 283,072 | - | 241,993 |
| Supplies | 6,220 | 5,048 | 4,547 | 501 | 7,026 |
| Motor fuels and lubricants | 147,000 | 112,904 | 103,183 | 9,721 | 142,638 |
| Repair parts – containers | 500 | 50 | - | 50 | 289 |
| Containers | 79,500 | 79,081 | 79,081 | - | 40,293 |
| Insurance | 25,974 | 26,934 | 24,724 | 2,210 | 21,643 |
| Vehicle licenses and titles | 264 | 224 | 111 | 113 | 212 |
| Professional services | 2,643 | 2,669 | 2,256 | 413 | 13,200 |
| Uniforms | 11,770 | 10,062 | 6,547 | 3,515 | 4,794 |
| Consumable tools | 400 | 258 | 258 | - | 110 |
| Other expenditures | 4,177 | 3,310 | 2,623 | 687 | 5,586 |
| Landfill fees | 1,008,550 | 1,008,550 | 981,921 | 26,629 | 948,806 |
| | 2,986,638 | 2,986,638 | 2,788,798 | 197,840 | 2,810,242 |
| Public Works – Street Lighting: | | | | | |
| Electricity | 600,000 | 702,576 | 702,576 | - | 637,947 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|-------------------------------|------------------|-----------|----------------------------------|--|------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) | Total 2014 |
| | Original | Final | | | |
| Expenditures (Continued): | | | | | |
| Public Works: | | | | | |
| Engineering: | | | | | |
| Salaries and related costs | 297,765 | 299,851 | 298,082 | 1,769 | 287,948 |
| Advertising and publications | 1,200 | 1,200 | 609 | 591 | 1,073 |
| Communications | 1,258 | 1,258 | 1,105 | 153 | 1,093 |
| Membership | 1,405 | 1,405 | 1,389 | 16 | 1,411 |
| Vehicle maintenance | 2,866 | 3,584 | 3,584 | - | 3,010 |
| Printing and duplication | 1,290 | 1,290 | 932 | 358 | 1,114 |
| Training | 329 | 329 | 75 | 254 | 394 |
| Travel | 360 | 360 | 35 | 325 | 153 |
| Professional services | 14,663 | 11,618 | 8,918 | 2,700 | 12,383 |
| Computer operations | 200 | 212 | 212 | - | 3,909 |
| Motor fuels and lubricants | 2,200 | 2,200 | 1,512 | 688 | 1,725 |
| Office supplies | 500 | 500 | 393 | 107 | 353 |
| Traffic light supplies | 15,000 | 9,835 | 7,314 | 2,521 | 11,006 |
| Insurance | 1,908 | 2,011 | 2,011 | - | 1,538 |
| Miscellaneous | 1,009 | 1,135 | 617 | 518 | 273 |
| | 341,953 | 336,788 | 326,788 | 10,000 | 327,383 |
| Total Public Works | 5,824,241 | 5,932,924 | 5,696,625 | 236,299 | 5,605,476 |
| Culture and Recreation: | | | | | |
| Parks and Recreation: | | | | | |
| Grounds maintenance | 10,000 | - | - | - | - |
| Utilities | 32,445 | 32,445 | 32,445 | - | 32,445 |
| Recreation and Parks | | | | | |
| Commission funding | 673,515 | 673,515 | 673,515 | - | 645,435 |
| | 715,960 | 705,960 | 705,960 | - | 677,880 |
| Library: | | | | | |
| Blount County Library funding | 719,616 | 719,616 | 719,616 | - | 719,616 |
| Total Culture and Recreation | 1,435,576 | 1,425,576 | 1,425,576 | - | 1,397,496 |
| Non-Departmental Costs: | | | | | |
| Employee relations | 1,731 | 1,731 | 1,312 | 419 | 1,360 |
| Liability insurance | 116,775 | 111,843 | 108,811 | 3,032 | 93,872 |
| Property insurance | 72,898 | 68,227 | 66,682 | 1,545 | 57,531 |
| Fiber Optic maintenance | 4,467 | 2,666 | 2,666 | - | 4,466 |
| IT services | 269,822 | 269,822 | 269,822 | - | 219,090 |
| Facilities operations | 843,321 | 843,321 | 843,319 | 2 | 642,552 |
| | 1,309,014 | 1,297,610 | 1,292,612 | 4,998 | 1,018,871 |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>June 30, 2015</u> | | | | |
|---|-------------------------|---------------------|--|---|---------------------|
| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> | <u>Total</u> |
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> | <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> | <u>2014</u> |
| Expenditures (Continued): | | | | | |
| Debt Service: | | | | | |
| Payments under capital lease | <u>56,567</u> | <u>113,133</u> | <u>113,133</u> | <u>-</u> | <u>113,133</u> |
| Capital Outlay: | | | | | |
| Public safety | 68,000 | 96,769 | 96,675 | 94 | - |
| Public works | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>53,640</u> |
| | <u>68,000</u> | <u>96,769</u> | <u>96,675</u> | <u>94</u> | <u>53,640</u> |
| Total Expenditures | <u>20,280,841</u> | <u>20,799,470</u> | <u>20,463,612</u> | <u>335,858</u> | <u>18,657,665</u> |
| Excess Revenues Over Expenditures | <u>12,702,275</u> | <u>14,420,116</u> | <u>15,205,945</u> | <u>785,829</u> | <u>14,137,685</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers in – Payments in Lieu of taxes | 1,475,000 | 1,492,314 | 1,492,314 | - | 1,472,437 |
| Transfers Out | <u>(14,977,330)</u> | <u>(15,772,694)</u> | <u>(15,772,694)</u> | <u>-</u> | <u>(14,811,830)</u> |
| Total Other Financing Sources (Uses) | <u>(13,502,330)</u> | <u>(14,280,380)</u> | <u>(14,280,380)</u> | <u>-</u> | <u>(13,339,393)</u> |
| Net Change in Fund Balance | (800,055) | 139,736 | 925,565 | 785,829 | 798,292 |
| Fund Balance, July 1 st | <u>7,794,799</u> | <u>7,794,799</u> | <u>7,794,799</u> | <u>-</u> | <u>6,996,507</u> |
| Fund Balance, June 30 th | <u>\$ 6,994,744</u> | <u>\$ 7,934,535</u> | <u>\$ 8,720,364</u> | <u>\$ 785,829</u> | <u>\$ 7,794,799</u> |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND – SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | June 30, 2015 | | | | |
|---|---------------------|---------------------|----------------------------------|--|---------------------|
| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) | Totals 2014 |
| | Original | Final | | | |
| Revenues: | | | | | |
| Taxes | \$ 15,389,028 | \$ 16,977,169 | \$ 17,472,476 | \$ 495,307 | \$ 15,790,389 |
| Licenses, permits and fees | 167,750 | 167,750 | 242,678 | 74,928 | 223,837 |
| Charges for services | 401,500 | 401,500 | 501,196 | 99,696 | 457,291 |
| Intergovernmental | 19,899,089 | 19,956,589 | 19,670,117 | (286,472) | 19,976,217 |
| Investment income | 7,500 | 7,500 | 6,876 | (624) | 5,401 |
| Miscellaneous revenues | <u>49,600</u> | <u>49,600</u> | <u>54,872</u> | <u>5,272</u> | <u>84,037</u> |
| Total Revenues | <u>35,914,467</u> | <u>37,560,108</u> | <u>37,948,215</u> | <u>388,107</u> | <u>36,537,172</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular instruction program | 25,705,660 | 26,131,260 | 26,102,520 | 28,740 | 24,271,077 |
| Special education program | 4,781,567 | 4,917,931 | 4,687,975 | 229,956 | 4,515,985 |
| Vocational education program | 750,050 | 726,965 | 698,527 | 28,438 | 692,512 |
| Student body education program | 15,000 | 15,000 | 13,839 | 1,161 | 18,669 |
| Alternative school program | 430,268 | 438,935 | 432,116 | 6,819 | 393,340 |
| Early childhood education program | 236,242 | 256,375 | 243,086 | 13,289 | 238,085 |
| Support Services: | | | | | |
| Health services | 129,252 | 139,575 | 131,578 | 7,997 | 130,466 |
| Other student support | 1,095,426 | 1,106,989 | 1,076,496 | 30,493 | 1,058,653 |
| Regular instruction support | 1,448,387 | 1,741,813 | 1,683,988 | 57,825 | 1,422,780 |
| Special education support | 632,788 | 607,791 | 596,941 | 10,850 | 649,846 |
| Board of Education | 859,189 | 840,066 | 773,298 | 66,768 | 869,031 |
| Office of Director of Schools | 375,415 | 389,301 | 377,261 | 12,040 | 362,712 |
| Office of the Principal | 2,938,626 | 2,993,538 | 2,877,805 | 115,733 | 2,850,081 |
| Fiscal services | 209,674 | 217,105 | 211,479 | 5,626 | 201,736 |
| Human Resources (Personnel) | 211,933 | 214,431 | 199,901 | 14,530 | 236,043 |
| Operation of plant | 2,786,450 | 2,724,531 | 2,681,014 | 43,517 | 2,589,347 |
| Maintenance of plant | 1,140,454 | 1,150,970 | 1,130,755 | 20,215 | 1,282,800 |
| Transportation | 1,031,625 | 1,056,791 | 1,034,118 | 22,673 | 1,068,049 |
| Other Support Services | 208,758 | 208,260 | 208,258 | 2 | 245,566 |
| Community services | 135,203 | 138,709 | 131,779 | 6,930 | 133,607 |
| Capital Outlay: | | | | | |
| Regular capital outlay | <u>100,000</u> | <u>870,000</u> | <u>864,953</u> | <u>5,047</u> | <u>231,018</u> |
| Total Expenditures | <u>45,221,967</u> | <u>46,886,336</u> | <u>46,157,687</u> | <u>728,649</u> | <u>43,461,403</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(9,307,500)</u> | <u>(9,326,228)</u> | <u>(8,209,472)</u> | <u>1,116,756</u> | <u>(6,924,231)</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 9,307,500 | 9,222,500 | 9,222,500 | - | 9,307,500 |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(470,000)</u> |
| Total Other Financing Sources (Uses) | <u>9,307,500</u> | <u>9,222,500</u> | <u>9,222,500</u> | <u>-</u> | <u>8,837,500</u> |
| Net Change in Fund Balance | - | (103,728) | 1,013,028 | 1,116,756 | 1,913,269 |
| Fund Balance, July 1 st | <u>6,927,316</u> | <u>6,927,316</u> | <u>6,927,316</u> | <u>-</u> | <u>5,014,047</u> |
| Fund Balance, June 30 th | \$ <u>6,927,316</u> | \$ <u>6,823,588</u> | \$ <u>7,940,344</u> | \$ <u>1,116,756</u> | \$ <u>6,927,316</u> |

See accompanying independent auditors report and notes.

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2015

With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Business-type Activities – Enterprise Funds | | | | | Business-type | Governmental |
|---|---|-------------|------------|--------------|---------------|---------------|---------------|
| | Major Funds | | Non-Major | | | Activities - | Activities - |
| | Electric | Water and | Stormwater | | Governmental | Enterprise | Internal |
| | Department | Sewer | Utility | Total | Activities - | Funds | Service Funds |
| ASSETS: | Department | Department | Department | Total | Internal | 2014 | 2014 |
| | | | | | Service Funds | | |
| Current Assets: | | | | | | | |
| Cash | \$ 1,178,740 | \$ 576,705 | \$ 305,517 | \$ 2,060,962 | \$ 169,793 | \$ 2,555,581 | \$ - |
| Investments | 6,640,382 | 8,711,086 | - | 15,351,468 | | 15,243,789 | - |
| Receivables: | | | | | | | |
| Accounts (net of allowance for uncollectibles) | 3,697,265 | 439,884 | 40,271 | 4,177,420 | 245,194 | 4,127,701 | 112,498 |
| Rentals | 166,333 | - | - | 166,333 | - | 169,733 | - |
| Due from other funds | 141,085 | 194,256 | - | 335,341 | 3,182,271 | 531,027 | 2,965,856 |
| Other | - | 585,565 | - | 585,565 | - | 604,770 | - |
| Inventory of materials and supplies | 1,095,295 | 553,258 | - | 1,648,553 | 386,554 | 1,626,200 | 336,304 |
| Other | - | - | - | - | - | 22,762 | - |
| Total Current Assets | 12,919,100 | 11,060,754 | 345,788 | 24,325,642 | 3,983,812 | 24,881,563 | 3,414,658 |
| Capital Assets: | | | | | | | |
| Plant in service | 69,255,561 | 128,220,040 | 3,029,421 | 200,505,022 | - | 194,229,445 | - |
| Utility Plant acquisition costs | 39,201 | 123,569 | - | 162,770 | - | 162,770 | - |
| Construction in progress | 2,088,649 | 1,474,907 | - | 3,563,556 | - | 2,283,609 | - |
| Building and improvements | - | - | - | - | 873,125 | - | 873,125 |
| Data processing equipment | - | - | - | - | 254,897 | - | 254,897 |
| Software | - | - | - | - | 269,785 | - | 269,785 |
| Fleet maintenance equipment and vehicles | - | - | - | - | 215,934 | - | 237,256 |
| | 71,383,411 | 129,818,516 | 3,029,421 | 204,231,348 | 1,613,741 | 196,675,824 | 1,635,063 |
| Less: Accumulated depreciation and amortization | 29,290,845 | 38,566,826 | 298,243 | 68,155,914 | 1,262,373 | 63,283,065 | 1,177,028 |
| Net Capital Assets | 42,092,566 | 91,251,690 | 2,731,178 | 136,075,434 | 351,368 | 133,392,759 | 458,035 |
| Other Noncurrent Assets: | | | | | | | |
| Other noncurrent assets | - | 177,811 | - | 177,811 | - | 209,187 | - |
| Regulatory charges | 128,234 | 1,215,843 | - | 1,344,077 | - | 1,478,256 | - |
| Receivables: | | | | | | | |
| Energy Service Loans | 818,226 | - | - | 818,226 | - | 874,141 | - |
| Total Other Noncurrent Assets | 946,460 | 1,393,654 | - | 2,340,114 | - | 2,561,584 | - |
| Total Noncurrent Assets | 43,039,026 | 92,645,344 | 2,731,178 | 138,415,548 | 351,368 | 135,954,343 | 458,035 |
| Total Assets | 55,958,126 | 103,706,098 | 3,076,966 | 162,741,190 | 4,335,180 | 160,835,906 | 3,872,693 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | | |
| Pension deferrals | 215,565 | 237,501 | 55,882 | 508,948 | - | - | - |

See accompanying independent auditor's report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (Continued)
June 30, 2015

With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Business-type Activities – Enterprise Funds | | | | | Business-type | Governmental |
|------------------------------------|---|------------------|--------------------|---------------|------------------------|---------------|--------------------|
| | Major Funds | | Non-Major Fund | | Governmental | Activities - | Activities - |
| | Electric | Water and | Stormwater | | Activities - | Enterprise | Internal |
| LIABILITIES: | Department | Sewer Department | Utility Department | Total | Internal Service Funds | Funds 2014 | Service Funds 2014 |
| Current Liabilities | | | | | | | |
| (Payable from Current Assets): | | | | | | | |
| Accounts payable | 6,545,676 | 336,774 | 16,283 | 6,898,733 | 166,424 | 6,778,745 | 81,197 |
| Cash overdraft | - | - | - | - | - | - | 29,813 |
| Due to other funds | 443,773 | 130,935 | 177,523 | 752,231 | 610,546 | 436,763 | 607,622 |
| Accrued compensated absences | 288,222 | 241,907 | 45,254 | 575,383 | - | 567,817 | - |
| Customer deposits | 1,352,231 | 221,636 | - | 1,573,867 | - | 1,495,521 | - |
| Other accrued liabilities | 30,648 | - | - | 30,648 | - | 18,967 | - |
| Accrued interest payable | - | 123,154 | - | 123,154 | - | 127,747 | - |
| Current portion of long-term debt | 705,000 | 1,462,144 | - | 2,167,144 | - | 2,090,068 | - |
| Total Current Liabilities | | | | | | | |
| (Payable from Current Assets) | 9,365,550 | 2,516,550 | 239,060 | 12,121,160 | 776,970 | 11,515,628 | 718,632 |
| Noncurrent Liabilities: | | | | | | | |
| Bonds payable | 4,872,254 | 43,696,190 | - | 48,568,444 | - | 50,691,981 | - |
| Loan Payable – Tennessee Revolving | | | | | | | |
| Loan Fund | - | 1,813,644 | - | 1,813,644 | - | 1,915,788 | - |
| Accrued compensated absences | 556,999 | 450,727 | 80,891 | 1,088,617 | - | 1,071,697 | - |
| Advances from TVA for energy | | | | | | | |
| service loans | 818,226 | - | - | 818,226 | - | 874,141 | - |
| Accrued post-employment | | | | | | | |
| benefit obligations | 510,175 | 576,308 | 90,807 | 1,177,290 | - | 1,051,265 | - |
| Net pension obligation | 159,731 | 118,040 | 29,841 | 307,612 | - | - | - |
| Refundable deposits | 133,800 | - | - | 133,800 | - | 177,600 | - |
| Total Noncurrent Liabilities | 7,051,185 | 46,654,909 | 201,539 | 53,907,633 | - | 55,782,472 | - |
| Total Liabilities | 16,416,735 | 49,171,459 | 440,599 | 66,028,793 | 776,970 | 67,298,100 | 718,632 |
| DEFERRED INFLOWS OF | | | | | | | |
| RESOURCES: | | | | | | | |
| Pension deferrals | 740,261 | 547,044 | 138,298 | 1,425,603 | - | - | - |
| Deferred revenue | 122,005 | - | - | 122,005 | - | - | - |
| Total Deferred Inflows | 862,266 | 547,044 | 138,298 | 1,547,608 | - | - | - |
| NET POSITION: | | | | | | | |
| Net investment in Capital Assets | 36,515,312 | 44,279,712 | 2,731,178 | 83,526,202 | 351,368 | 78,694,922 | 458,035 |
| Unrestricted position | 2,379,378 | 9,945,384 | (177,227) | 12,147,535 | 3,206,842 | 14,842,884 | 2,696,026 |
| Total Net Position | \$ 38,894,690 | \$ 54,225,096 | \$ 2,553,951 | \$ 95,673,737 | \$ 3,558,210 | \$ 93,537,806 | \$ 3,154,061 |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Business-type Activities –Enterprise Funds | | | | | Business-type | Governmental |
|--|--|---------------|----------------|---------------|---------------|---------------|---------------|
| | Major Funds | | Non-Major Fund | | Governmental | Activities - | Activities - |
| | Electric | Water and | Stormwater | | Activities - | Enterprise | Internal |
| | Department | Department | Utility | Total | Internal | Funds | Service Funds |
| | Department | Department | Department | | Service Funds | 2014 | 2014 |
| OPERATING REVENUES: | | | | | | | |
| Charges for services | \$ 64,932,569 | \$ 13,356,439 | \$ 1,380,526 | \$ 79,669,534 | \$ 13,556,990 | \$ 79,057,103 | \$ 12,940,070 |
| Customers' forfeited discounts | 376,361 | 94,640 | 6,828 | 477,829 | - | 494,235 | - |
| Rent from property | 144,121 | 138,817 | - | 282,938 | - | 276,329 | - |
| Other revenue | 596,614 | 1,242,107 | - | 1,838,721 | 100 | 1,743,446 | 2,044 |
| Total Operating Revenues | 66,049,665 | 14,832,003 | 1,387,354 | 82,269,022 | 13,557,090 | 81,571,113 | 12,942,114 |
| OPERATING AND MAINTENANCE EXPENSE: | | | | | | | |
| Purchased power | 55,490,463 | - | - | 55,490,463 | - | 54,460,560 | - |
| Electric operations | 2,633,358 | - | - | 2,633,358 | - | 2,661,687 | - |
| Water and sewer operations | - | 5,015,900 | - | 5,015,900 | - | 5,214,512 | - |
| Stormwater operations | - | - | 859,013 | 859,013 | - | 949,941 | - |
| Customer accounts expense | 679,765 | 1,022,458 | - | 1,702,223 | - | 1,592,889 | - |
| Administrative and general expense | 1,868,175 | 1,500,779 | 76,483 | 3,445,437 | - | 3,234,539 | - |
| Sales expense | 133,496 | - | - | 133,496 | - | 107,913 | - |
| Depreciation and amortization of capital assets | 2,242,519 | 3,266,256 | 104,408 | 5,613,183 | 106,667 | 5,461,536 | 119,753 |
| Taxes | 474,515 | - | - | 474,515 | - | 469,250 | - |
| Computer information systems operating expense | - | - | - | - | 717,614 | - | 713,405 |
| Fleet maintenance operating expenses | - | - | - | - | 592,907 | - | 633,309 |
| Facilities operating and maintenance expenses | - | - | - | - | 1,371,814 | - | 1,068,027 |
| Self-insurance operating expenses | - | - | - | - | 10,363,939 | - | 10,709,575 |
| Total Operating and Maintenance Expenses | 63,522,291 | 10,805,393 | 1,039,904 | 75,367,588 | 13,152,941 | 74,152,827 | 13,244,069 |
| OPERATING INCOME (LOSS) | 2,527,374 | 4,026,610 | 347,450 | 6,901,434 | 404,149 | 7,418,286 | (301,955) |
| NON-OPERATING REVENUES (EXPENSES): | | | | | | | |
| Interest earned | 6,805 | 8,008 | - | 14,813 | - | 14,732 | - |
| Amortization | (19,332) | (146,223) | - | (165,555) | - | (173,982) | - |
| Rent from non-utility property | 8,400 | - | - | 8,400 | - | 8,400 | - |
| Gain (Loss) on retirement of capital assets | - | 69,101 | - | 69,101 | - | 30,983 | - |
| Interest expense | (238,895) | (2,076,019) | - | (2,314,914) | - | (2,398,030) | - |
| Total Non-Operating Revenues (Expenses) | (243,022) | (2,145,133) | - | (2,388,155) | - | (2,517,897) | - |
| NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | | | | |
| | 2,284,352 | 1,881,477 | 347,450 | 4,513,279 | 404,149 | 4,900,389 | (301,955) |
| CONTRIBUTIONS AND TRANSFERS: | | | | | | | |
| Capital Contributions | - | 541,280 | - | 541,280 | - | 157,413 | - |
| Transfers in | - | - | 300,000 | 300,000 | - | - | - |
| Payments In Lieu of Taxes | (992,740) | (499,574) | - | (1,492,314) | - | (1,472,437) | - |
| CHANGE IN NET POSITION | 1,291,612 | 1,923,183 | 647,450 | 3,862,245 | 404,149 | 3,585,365 | (301,955) |
| NET POSITION, July 1st | 38,499,487 | 52,964,348 | 2,073,971 | 93,537,806 | 3,154,061 | 89,952,441 | 3,456,016 |
| Restatement – See note 1 (S) | (896,409) | (662,435) | (167,470) | (1,726,314) | - | - | - |
| NET POSITION, June 30 th | \$ 38,894,690 | \$ 54,225,096 | \$ 2,553,951 | \$ 95,673,737 | \$ 3,558,210 | \$ 93,537,806 | \$ 3,154,061 |

See accompanying independent auditors' report and notes.

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Business-type Activities –Enterprise Funds</u> | | | | | | |
|---|---|-----------------------------------|--------------------------------------|----------------------|---|---|--|
| | <u>Major Funds</u> | | <u>Non-Major Fund</u> | | <u>Governmental Activities - Internal Service Funds</u> | <u>Business-type Activities - Enterprise Funds 2014</u> | <u>Governmental Activities - Internal Service Funds 2014</u> |
| | <u>Electric Department</u> | <u>Water and Sewer Department</u> | <u>Stormwater Utility Department</u> | <u>Total</u> | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | |
| Collections from customers | \$ 65,981,738 | \$ 14,885,811 | \$ 1,391,510 | \$ 82,259,059 | \$ 1,445,724 | \$ 81,847,826 | \$ 1,579,688 |
| Receipts from other funds | 97,526 | 43,797 | 488,775 | 630,098 | 12,117,775 | 301,548 | 11,387,954 |
| Payments to other funds | (22,596) | (96,348) | - | (118,944) | - | (2,785) | - |
| Payments to employees | (3,017,503) | (2,544,820) | (577,810) | (6,140,133) | (708,200) | (6,051,366) | (687,128) |
| Payments to other suppliers of goods and services | (57,613,471) | (5,153,582) | (408,962) | (63,176,015) | (1,978,372) | (61,348,162) | (12,374,823) |
| Taxes | (474,515) | - | - | (474,515) | - | (469,250) | - |
| Payment for settlement of claims and administrative expenses | - | - | - | - | (10,489,276) | - | - |
| Net Cash Flows Provided By (Used in) Operating Activities | <u>4,951,179</u> | <u>7,134,858</u> | <u>893,513</u> | <u>12,979,550</u> | <u>387,651</u> | <u>14,277,811</u> | <u>(94,309)</u> |
| CASH FLOWS FROM - NONCAPITAL FINANCING ACTIVITIES: | | | | | | | |
| Receipts from other funds | - | - | 300,000 | 300,000 | 433,600 | - | 131,534 |
| Payments to other funds | (992,740) | (499,574) | - | (1,492,314) | (651,458) | (1,472,437) | (93,706) |
| Net Cash Provided By (Used In) NonCapital Financing Activities | <u>(992,740)</u> | <u>(499,574)</u> | <u>300,000</u> | <u>(1,192,314)</u> | <u>(217,858)</u> | <u>(1,472,437)</u> | <u>37,828</u> |
| CASH FLOWS FROM CAPITAL AND RELATEDFINANCING ACTIVITIES: | | | | | | | |
| Acquisition of capital assets | (4,360,501) | (2,975,302) | (887,996) | (8,223,799) | - | (6,120,951) | (26,183) |
| Utility Plant removal costs, net of salvage | 46,523 | (118,582) | - | (72,059) | - | 36,743 | - |
| Proceeds from sale of capital assets | - | 69,101 | - | 69,101 | - | 30,983 | - |
| Loans repaid | - | (100,068) | - | (100,068) | - | (98,028) | - |
| Bonds redeemed | (675,000) | (1,315,000) | - | (1,990,000) | - | (1,925,000) | - |
| Interest paid | (248,388) | (2,129,656) | - | (2,378,044) | - | (2,460,998) | - |
| Refundable deposits | (43,800) | - | - | (43,800) | - | (24,000) | - |
| Energy Service advances repaid to TVA | (183,178) | - | - | (183,178) | - | 223,645 | - |
| Energy Service advances from TVA | 239,093 | - | - | 239,093 | - | (210,937) | - |
| Energy Service loans to customers | (239,093) | - | - | (239,093) | - | (223,645) | - |
| Energy Service loans collected from customers | 183,178 | - | - | 183,178 | - | 210,937 | - |
| Capital contributions | - | 541,280 | - | 541,280 | - | 157,413 | - |
| Net Cash Flows Provided By (Used In) Capital and Related Financing Activities | <u>(5,281,166)</u> | <u>(6,028,227)</u> | <u>(887,996)</u> | <u>(12,197,389)</u> | <u>-</u> | <u>(10,403,838)</u> | <u>(26,183)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | |
| Interest received | 6,805 | 8,008 | - | 14,813 | - | 14,732 | - |
| Rent from investment property | 8,400 | - | - | 8,400 | - | 8,400 | - |
| Net Cash Flows Provided By (Used In) Investing Activities | <u>15,205</u> | <u>8,008</u> | <u>-</u> | <u>23,213</u> | <u>-</u> | <u>23,132</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | (1,307,522) | 615,065 | 305,517 | (386,940) | 169,793 | 2,424,668 | (82,664) |
| CASH & CASH EQUIVALENTS– July 1 st | <u>9,126,644</u> | <u>8,672,726</u> | <u>-</u> | <u>17,799,370</u> | <u>-</u> | <u>15,374,702</u> | <u>82,664</u> |
| CASH AND CASH EQUIVALENTS – June 30 th | <u>\$ 7,819,122</u> | <u>\$ 9,287,791</u> | <u>\$ 305,517</u> | <u>\$ 17,412,430</u> | <u>\$ 169,793</u> | <u>\$ 17,799,370</u> | <u>\$ -</u> |

See accompanying independent auditors' report and notes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Business-type Activities –Enterprise Funds | | | | | Business-type | Governmental |
|---|--|--------------|------------|---------------|---------------|---------------|---------------|
| | Major Funds | | Non-Major | | Governmental | Activities - | Activities - |
| | Electric | Water and | Stormwater | | Activities - | Enterprise | Internal |
| | Department | Sewer | Utility | Total | Internal | Funds | Service Funds |
| | | Department | Department | | Service Funds | 2014 | 2014 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | | | | |
| Operating income (loss) | \$ 2,527,374 | \$ 4,026,610 | \$ 347,450 | \$ 6,901,434 | \$ 404,149 | \$ 7,418,286 | \$ (301,955) |
| Adjustments to reconcile operating income to net cash provided by (used) in operating activities: | | | | | | | |
| Add (deduct) non-cash items: | | | | | | | |
| Depreciation | 2,242,519 | 3,266,256 | 104,408 | 5,613,183 | 93,755 | 5,461,536 | 111,173 |
| Amortization | - | - | - | - | 12,912 | - | 8,580 |
| Changes in assets and liabilities: | | | | | | | |
| Accounts receivable | (71,329) | 17,454 | 4,156 | (49,719) | (132,696) | 248,229 | (6,401) |
| Pole rentals receivable | 3,400 | - | - | 3,400 | - | (6,709) | - |
| Other receivables | - | 19,205 | - | 19,205 | - | (116,561) | - |
| Inventories | 2,868 | (25,221) | - | (22,353) | (50,250) | (44,967) | 61,640 |
| Other current assets | 22,762 | - | - | 22,762 | - | 16 | - |
| Accounts payable | 51,312 | 74,022 | (5,346) | 119,988 | 85,227 | 673,313 | 725 |
| Cash overdraft | - | - | - | - | (29,813) | - | 29,813 |
| Accrued compensated absences | 56,384 | (31,021) | (877) | 24,486 | - | 77,696 | - |
| Accrued post-employment benefit obligation | 58,058 | 57,807 | 10,160 | 126,025 | - | 118,081 | - |
| Net pension obligation/deferrals | (211,982) | (234,852) | (55,213) | (502,047) | - | - | - |
| Other accrued liabilities | 133,686 | - | - | 133,686 | - | (1,626) | - |
| Customer deposits | 61,197 | 17,149 | - | 78,346 | - | 151,754 | - |
| Due from other funds | (22,596) | (96,348) | 314,630 | 195,686 | 4,367 | 189,198 | 2,116 |
| Due to other funds | 97,526 | 43,797 | 174,145 | 315,468 | - | 109,565 | - |
| NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES | \$ 4,951,179 | \$ 7,134,858 | \$ 893,513 | \$ 12,979,550 | \$ 387,651 | \$ 14,277,811 | \$ (94,309) |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET: | | | | | | | |
| Current Assets: | | | | | | | |
| Cash | \$ 1,178,740 | \$ 576,705 | \$ 305,517 | \$ 2,060,962 | \$ 169,793 | \$ 2,555,581 | \$ - |
| Investments | 6,640,382 | 8,711,086 | - | 15,351,468 | - | 15,243,789 | - |
| Cash and Cash Equivalents – June 30 th | \$ 7,819,122 | \$ 9,287,791 | \$ 305,517 | \$ 17,412,430 | \$ 169,793 | \$ 17,799,370 | \$ - |

Accounting Policy Note: The City considers all highly liquid investments with original maturities of three (3) months or less as cash equivalents. At June 30, 2015 and 2014, the Electric Department had investments of \$6,640,382 and \$7,280,711, respectively, considered to be cash equivalents. At June 30, 2015 and 2014, the Water and Sewer Department had investments of \$8,711,086 and \$7,963,078 respectively, considered to be cash equivalents.

See accompanying independent auditors report and notes.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Maryville, Tennessee, has existed under various charters in its over 200 year history. The most recent incorporation was authorized by *H.B. No 132 Private Chapter No 27* adopted by the State legislature on March 14, 1967. The act took effect September 1, 1967 and effectively recreated the City of Maryville as a Council-Manager City with five councilmen elected at large who in turn hire a City Manager for day-to-day administration. The charter authorizes the following services: public safety (police and fire), highways and streets, public utilities, health and social services, education, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Maryville, Tennessee, are in conformity with all applicable statements of the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

(A) FINANCIAL REPORTING ENTITY:

Governmental Accounting Standards Board (GASB) *Statement No. 14 - "The Financial Reporting Entity"* as amended by GASB *Statement No. 39 "Determining Whether Certain Organizations are Component Units"* defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of a component unit's Board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

In evaluating how to define the government for financial reporting purposes, management has considered the primary government and all potential component units by applying the definitions and the criteria set forth by *GASB Statement No. 14*, as amended by *GASB Statement No. 39*.

The financial statements of the City (primary government) provide an overview of the entity based on financial accountability. The primary government consists of all the organizations that make up its legal entity—all funds, departments, and offices that are not legally separate. The City meets all the criteria defined for a primary government in *GASB No. 14*, as amended by *GASB Statement No. 39*, as follows:

- a. Separately elected governing body,
- b. Separate legal standing through legislation authorizing its creation,
- c. Fiscally independent of other state and local governments,

A component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the criteria applicable to *GASB No. 14*, as amended by *GASB Statement No. 39*, for component units, the City has no financial accountability for any component units. Therefore, the financial reporting entity is limited to those funds, departments, and offices which comprise the City's legally adopted jurisdictions.

(B) BASIC FUND STATEMENTS – GASB NO. 34:

The basic financial statements include both government-wide (based on the City as a whole and its component units, if any) and fund financial statements. While the previous financial reporting model emphasized fund types (the total of all funds of a particular type), in the new model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. *Business-type activities* rely to a significant extent, on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(B) BASIC FUND STATEMENTS – GASB NO. 34 (Continued):

measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses, including depreciation, of the various departments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Interest on general long-term debt and depreciation expense on assets shared by multiple departments are not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The City does not currently utilize an indirect cost allocation system. The General Fund charges certain administrative fees to departments within other operating funds to support general services used by those funds. The expenditures/expenses are recorded as a reduction of expense in the allocating fund. Therefore, no elimination is required from either the government-wide or fund level financial statements.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds are summarized into a single column.

Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statement should directly reconcile to the business-type activity column presented in the government-wide statements.

Internal service funds of a government (which provide services primarily to other funds of the City) are presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate department.

(C) BASIS OF PRESENTATION:

The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the City's financial management by segregating transactions related to certain functions or activities.

The following categories are used by the City:

Governmental Fund Types

Governmental Funds are those through which most of the governmental functions of the City are financed. The focus of Governmental Fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION (Continued):

Governmental Funds include the following fund types:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes as defined by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. There is one (1) special revenue fund presented as a major fund in the basic financial statements as follows:

General Purpose School Fund: The General Purpose School Fund is used to account for the general operations of the Maryville City Schools. Major funding for the General Purpose School Fund is provided by State education funds, shared revenues provided by Blount County, and transfers from the General Fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt (principal, interest, and related costs) not being accounted for in the Enterprise Funds. The Debt Service Fund is presented as a major fund in the basic financial statements.

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing operations and activities, which are similar to those often found in the private sector. The focus of Proprietary Fund measurement is upon the determination of operating income, changes in net position, financial position, and cash flows.

Proprietary funds include the following fund types:

Enterprise Funds: Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The following enterprise funds are used by the City:

Electric Department Fund: The Electric Department Fund is used to account for the operation of the City's electric system. This fund is presented as a major fund in the basic financial statements.

Water and Sewer Department Fund: The Water and Sewer Department Fund is used to account for the operation of the City's water and sewer system. This fund is presented as a major fund in the basic financial statements.

Stormwater Utility Fund: The Stormwater Utility Fund is used to account for the operation of the City's Stormwater Utility System.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION (Continued):

Internal Service Funds: Internal Service Funds are used to account for the providing of goods or services to other governmental operating units such as departments, bureaus, and agencies. The services provided may include duplicating services, data processing, legal services, motor pools, and centralized maintenance. Also, an Internal Service Fund may produce goods as does a manufacturer. For example, products may be provided by government printing shops, repair facilities, and processing facilities. The purpose of centralizing certain activities in an Internal Service Fund is to achieve a level of operating efficiency that may not be available if the same activities were performed by multiple units within the governmental organization. Costs associated with the centralized activity are usually recovered from those governmental units that benefit from the goods or services provided through the Internal Service Funds. Thus, the objective of an Internal Service Fund is not to make a profit but rather to recover, over a period of time, the total cost of providing the goods or services.

The following internal service funds are used by the City:

Employee Medical Self-Insurance Funds: The Employee Medical Self-Insurance Funds are used to account for the City of Maryville's self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in this fund for the payment of medical claims and administrative expenses.

School Employee Dental Insurance Fund: The School Employee Dental Insurance Fund is used to account for the City of Maryville school employees' dental insurance program. Premiums collected from employees and premiums charged to various operating funds are placed in this fund for the payment of dental claims and administrative expenses.

Retiree Medical Self-Insurance Funds: The Retiree Medical Self-Insurance Funds are used to account for the City of Maryville's self-insured health insurance program for retirees. Premiums charged to various operating funds and retiree contributions are placed in this fund for the payment of medical claims and administrative expenses.

Self-Insured Workmen's Compensation Fund: The Self-Insured Workmen's Compensation Fund is used to account for the City's self-insured worker's compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Computer Information Systems Fund: The Computer Information Systems Fund is used to account for the operation of the City's computer information system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund: The Fleet Maintenance Fund is used to account for the operation of the City's vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund: The Facilities Management Fund is used to account for the operation of the City's physical facilities.

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the source and use of liquid resources, and 3) demonstrate how the City's actual experience conforms to the biennial budget. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include property tax, local sales tax, state-shared sales tax, highway user tax, franchise fees, and interest earned on pooled investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the City; therefore, revenues are based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City reports deferred revenues in the governmental funds if the potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the government's electric and water/sewer functions and various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the applicable functions.

Amounts reported as program revenue include 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular department, and 3) capital grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department are included as general revenues. The general revenues support the net costs of the departments not covered by program revenues.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services of the fund's principal ongoing operations. Operating expenses include the cost of providing the goods and services, administrative expenses, and depreciation on capital assets. Non-operating revenues and expenses are items such as investment income and interest expense, which are not a result of the direct operations of the activity.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) BUDGETS AND BUDGETARY ACCOUNTING:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least forty-five (45) days before the beginning of the budgetary fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. The legal level of budgetary control is at the department level.
2. Public hearing is conducted by the City to obtain taxpayer comments.
3. Prior to July 1st, the budget is legally enacted through passage of an ordinance on two separate readings.
4. The City Manager is authorized to transfer appropriations between any program or line item within a department without the approval of the City Council. However, any revisions that alter the total expenditures of any department, and all other budget amendments, must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund. Formal budgetary integration is employed for the Debt Service Fund even though effective budgetary control is additionally achieved through general obligation bond indenture provisions. Because Capital Projects Funds are project-oriented and may extend over two (2) or more fiscal years, the recording of an annual budget is not necessary. Budgeted appropriations lapse at year-end.
6. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted (or as subsequently amended) by the City Council on June 20, 2014.

Budget amendments were adopted for the following funds:

1. General Fund – \$2,253,784 increase in revenues and \$1,313,993 increase in expenditures.
2. General Purpose School Fund - \$1,664,369 increase in both revenues and expenditures.
3. Federal Projects Fund – \$139,350 increase in both revenues and expenditures.
4. Debt Service Fund - \$10,671,833 increase in revenues and \$9,523,726 increase in expenditures.
5. Foothills Fall Festival - \$18,500 increase in revenues and \$185,189 increase in expenditures.

(F) UNBILLED ACCOUNTS RECEIVABLE:

The City of Maryville Utilities delay the recording of some accrued revenues due to the staggering of meter reading dates during the month. Consequently, there is a lag in meter reading time and billing dates as the Utilities do not bill at a cut-off date of June 30th, the year-end. Unbilled revenues are estimated by calculation of average daily revenue for the number of days unrecorded based on the following month's billing.

For the Electric Department at June 30, 2015, unrecorded unbilled revenue was estimated to be \$3,027,012.

For the Water and Sewer Department at June 30, 2015, unrecorded unbilled revenue was estimated to be \$574,057.

Expenses and the related purchased power for the unrecorded unbilled revenue have been reflected in the Statements of Revenues, Expenses and Changes in Fund Net Position of each respective Utility.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) CASH AND INVESTMENTS:

Cash and cash equivalents consist of petty cash, demand deposits, and all highly liquid investments with original maturities of three (3) months or less.

In order to provide a safe temporary medium for investment of idle funds, the City adopted an investment policy that allows investment in the following:

1. Bonds, notes and treasury bills of the United States;
2. Non-convertible debt securities of certain government sponsored enterprises that are chartered by the Congress of the United States;
3. Other obligations which are guaranteed as to principal and interest by the United States or any of its agencies;
4. Certificates of Deposit at state and federal chartered banks and savings and loan associations;
5. The Local Government Investment Pool created by TCA, Title 9, Chapter 4, Part 2;
6. Bonds or notes issued by or on behalf of the City of Maryville in accordance with TCA, Title 9, Chapter 21;
7. Bonds or notes backed by the direct obligation of a State of the United States, or a political subdivision or instrumentality thereof, having general taxing powers; and are rated in either of the two (2) highest rated categories by a nationally-recognized rating agency.

(H) RECEIVABLES:

All receivables are shown net of an allowance for uncollectibles.

(I) INVENTORIES AND PREPAID ITEMS:

Materials and supplies inventories of the Proprietary Funds are maintained by a perpetual inventory accounting system and are valued on a basis of average cost. Inventory of the Maryville City Schools' Cafeteria Fund is accounted for by the purchase method and is valued on a basis of average cost.

Prepaid items consist of payments to vendors for costs applicable to future accounting periods. These items are recorded as prepaid items in both the government-wide and fund financial statements.

(J) CAPITAL ASSETS:

Capital assets, including public domain infrastructure (e.g. roads, bridges, sidewalks, and culverts) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if material.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(J) CAPITAL ASSETS (Continued):

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives (land, rights-of-way/easements, and construction-in-progress are not depreciated):

| <u>Assets</u> | <u>Useful life (years)</u> |
|------------------------|----------------------------|
| Buildings | 50 |
| Improvements | 20 – 50 |
| Equipment and vehicles | 5 – 25 |
| Infrastructure | 25 – 50 |

(K) COMPENSATED ABSENCES:

Accumulated unpaid vacation and vested sick pay are accrued in the Government-wide and all Proprietary Fund statements. Long-term liabilities of the governmental funds are not shown on the fund financial statements, as these benefits are not expected to be liquidated with expendable available financial resources.

The City of Maryville, Tennessee's employees, with the exception of the Board of Education employees, are granted sick leave and vacation leave in varying amounts. Full-time employees accrue sick leave at the rate of one (1) day for each completed month of service. An employee can accrue a maximum of ninety (90) days of sick leave. Although eligible employees accrue sick leave from the date of employment, an employee is ineligible to use it until after having completed the first six (6) months of employment. Upon resignation or dismissal, an employee will not be paid for accrued sick leave. However, upon retirement, one-half (1/2) of accumulated sick leave will be credited toward additional service for payroll purposes.

Employees of the City of Maryville, Tennessee's Board of Education accumulate sick leave at the rate of one (1) day per month, or a maximum of ten (10) days per year based upon a ten (10) month period. Non-professional employees of the Board receive no compensation for accumulated sick leave upon retirement. However, upon retirement, professional employees of the Board receive an additional month of employment credit for the purpose of computing retirement benefits for every twenty (20) days of accumulated sick leave.

The City's vacation leave policy is as follows:

Full-time employees hired before April 2, 1985, will accrue vacation leave according to Schedule 1 below:

Schedule 1: Full-time Employees Hired Prior to April 2, 1985

| <u>Completed Service</u> | <u>Vacation Leave Credit Per Month (Fire Department Shifts)</u> |
|--------------------------|---|
| 0 through 6 years | 7 hours/month (8.333 hours/month) |
| 7 through 14 years | 10 hours/month (12.667 hours/month) |
| 15 through 19 years | 14 hours/month (16.667 hours/month) |
| 20 or more years | 17 hours/month (20.583 hours/month) |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) COMPENSATED ABSENCES (Continued):

Full-time employees hired after April 1, 1985, will accrue vacation leave according to Schedule 2 below:

Schedule 2: Full-time Employees Hired After April 1, 1985

| Completed Service | Vacation Leave Credit Per Month (Fire Department Shifts) |
|--------------------|---|
| 0 through 6 years | 7 hours/month (8.333 hours/month) |
| 7 through 14 years | 10 hours/month (12.667 hours/month) |
| 15 or more years | 14 hours/month (16.667 hours/month) |

Employees having a minimum of seven (7) years' service have the option, subject to department head approval and to the availability of budgeted funds, of selling a portion of vacation leave to the City (as scheduled), provided that at least eighty (80) hours of vacation leave is taken during the calendar year.

New employees accrue vacation leave from the date of employment, but are not eligible to take vacation leave until completing six (6) months of employment.

Upon resignation, any accrued vacation will be paid in lump sum. Upon retirement, accrued vacation may be paid in lump sum or taken as time off before the retirement date.

Employees may accrue vacation leave in excess of the maximum allowable annual vacation hours during any calendar year. However, employees must use the excess vacation hours accrued prior to January 1st as shown in Schedule 3 below:

Schedule 3: Vacation Accrual Limits (Fire Department Shifts)

| Completed Service | Employees Hired Before April 2, 1985 | Employees Hired After April 2, 1985 |
|---------------------|---|--|
| 0 through 6 years | 168 hours (200 hours) | 168 hours (200 hrs) |
| 7 through 14 years | 240 hours (304 hours) | 240 hours (304 hrs) |
| 15 through 19 years | 336 hours (400 hours) | - |
| 15 or more years | - | 336 hours (400 hrs) |
| 20 or more years | 408 hours (494 hours) | - |

If an employee fails to use his vacation hours in excess of the maximum allowable hours by January 1st of each calendar year, he will lose the use of those excess hours.

The City of Maryville, Tennessee, accounts for compensated absences in conformity with the *Governmental Accounting Standards Board (GASB) Statement Number 16*, whereby a liability is accrued for the amounts employees are entitled to receive for future absences. Such accruals include related costs such as payroll taxes and retirement contributions as required by *GASB Statement Number 16*.

(L) LONG-TERM OBLIGATIONS:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type. Debt premiums and discounts are deferred and amortized over the life of the debt. Debt payable is reported net of the applicable premium or discount.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(L) LONG-TERM OBLIGATIONS (Continued):

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the period in which the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary fund financial statements recognize debt premiums and discounts as deferrals that are amortized to interest expense over the life of the debt. Debt payable is reported net of the applicable premium or discount. Under GASB statement No. 62, debt issue costs that are recovered through rate charges established by the regulatory authority are recognized as deferred regulatory charges. They are amortized over the life of the debt.

(M) INTERFUND TRANSACTIONS:

Interfund transactions consist of identified services performed for other funds or costs billed to other funds and are recorded as expenditures in the fund receiving the services and as a reimbursement, reducing expenditures, in the fund performing the services except for sales of electric and water/sewer services to other City departments and the Internal Service risk management or health charges which are recorded as revenue and expenditures in the appropriate funds. All other interfund transactions are reported as transfers.

(N) FUND BALANCE:

Governmental fund equity is classified as fund balance. The City follows Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance and Governmental Fund Type Definitions*. Under this statement fund balances are classified into the following categories:

- a. Nonspendable fund balances comprise those amounts that cannot be spent due to their form (e.g. inventory and prepaids) or funds that legally or contractually are required to be maintained intact.
- b. Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitutional provisions or enabling legislation.
- c. Committed fund balances comprise those amounts that are set aside for a specific purpose by the City's highest level of decision making authority (City Council) through its highest level of formal action (ordinance). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- d. Assigned fund balances consist of amounts that are set aside with the intent to be used for a specific purpose by the City's highest level of decision making body. Assigned fund balances may not cause a deficit in unassigned fund balance.
- e. Unassigned fund balances consist of excess funds that have not been classified in the previous four categories. The general fund is the only governmental fund that reports positive unassigned fund balance.

Significant aspects of the City's fund balance policy are as follows:

The City Council has retained the authority to assign funds for specific purposes.

When both restricted and unrestricted funds are available for expenditure, restricted funds are spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds are spent first, assigned funds next, and unassigned funds last.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(O) STATEMENTS OF CASH FLOWS:

The City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. For the purposes of the statement of cash flows, all pooled cash is also considered to be cash equivalents. This is due to the fact that the Proprietary funds may deposit or withdraw cash at any time without prior notice or penalty, having the characteristics of demand deposits. In a statement of cash flows, cash receipts and payments are classified according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities.

(P) USE OF ESTIMATES:

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses/expenditures, and the disclosure of contingent assets and liabilities at the date of the basic financial statements. Actual results could differ from those estimates.

(Q) COMPARATIVE TOTAL DATA:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

(R) PENSIONS:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Maryville's participation in the Public Employee Retirement Plan, the Teacher Legacy Pension Plan, and the Teacher Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and the additions to/deductions from Maryville's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan, the Teacher Legacy Pension Plan, and the Teacher Retirement Plan of TCRS. Investments are reported at fair value.

(S) IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT:

In June 2012 the Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for the fiscal year beginning July 1, 2014. This statement revises existing standards for measuring and reporting pension liabilities for pensions provided by the City to its employees. This Statement requires recognition of a liability equal to the net pension liability, which is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The City implemented this standard effective July 1, 2014. The City's beginning Net Position at that date was restated to reflect the effects of this pronouncement as follows:

| | Governmental Activities | Business-type Activities | Total |
|-------------------------------------|------------------------------------|-------------------------------------|----------------------|
| Net Position, July 1, 2014 | \$ 74,022,527 | \$93,537,806 | \$167,560,333 |
| Recognition of pension liability | <u>(9,973,021)</u> | <u>(1,726,314)</u> | <u>(11,699,335)</u> |
| Restated Net Position, July 1, 2014 | <u>\$ 64,049,506</u> | <u>\$91,811,492</u> | <u>\$155,860,998</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Total fund balances of the City's governmental funds differ from net position of governmental activities reported in the statement of net position. The difference primarily results from the long-term economic focus in the statement of net position versus the current financial resources focus in the governmental fund balance sheets.

| | <u>Statement of Net Position</u> | | | | |
|--|---|--|---|---|--------------------------------------|
| | Total Governmental Funds | Long-term Assets, Liabilities (1) | Internal Service Funds (2) | Reclassifications and Eliminations | Statement of Net Position |
| Assets: | | | | | |
| Cash | \$ 5,021,740 | \$ - | \$ 169,793 | \$ - | \$ 5,191,533 |
| Investments | 7,253,372 | - | - | - | 7,253,372 |
| Pooled cash | 2,667,825 | - | - | - | 2,667,825 |
| Pooled investments | 18,040,523 | - | - | - | 18,040,523 |
| Receivables: | | | | | |
| Taxes, net | 21,386,144 | - | - | - | 21,386,144 |
| Accounts, net | 254,178 | - | 245,194 | - | 499,372 |
| Accrued interest | 6,550 | - | - | - | 6,550 |
| Internal balances | 346,739 | - | 3,182,271 | - | 3,529,010 |
| Due from other governments | 2,490,759 | - | - | - | 2,490,759 |
| Inventories | 49,596 | - | 386,554 | - | 436,150 |
| Net pension asset – school employees | - | 94,221 | - | - | 94,221 |
| Deferred refunding losses | - | 1,544,956 | - | - | 1,544,956 |
| Capital Assets, Net | - | 134,450,475 | 351,368 | - | 134,801,843 |
| Total Assets | <u>57,517,426</u> | <u>136,089,652</u> | <u>4,335,180</u> | <u>-</u> | <u>197,942,258</u> |
| Deferred Outflow of Resources | | | | | |
| Pension deferrals | - | 3,992,414 | - | - | 3,992,414 |
| Liabilities: | | | | | |
| Accounts payable | 866,435 | - | 166,424 | - | 1,032,859 |
| Accrued payroll | 3,123,518 | - | - | - | 3,123,518 |
| Accrued interest payable | - | 146,590 | - | - | 146,590 |
| Other liabilities | 1,852,827 | - | - | - | 1,852,827 |
| Internal balances | 2,501,574 | - | 610,546 | - | 3,112,120 |
| Net pension obligation – city employees | - | 779,785 | - | - | 779,785 |
| Accrued post-employment benefit obligations | - | 4,308,061 | - | - | 4,308,061 |
| Long-term debt | - | 83,400,545 | - | - | 83,400,545 |
| Compensated absences | - | 1,643,327 | - | - | 1,643,327 |
| Total Liabilities | <u>8,344,354</u> | <u>90,278,308</u> | <u>776,970</u> | <u>-</u> | <u>99,399,632</u> |
| Deferred Inflow of Resources: | | | | | |
| Deferred revenue | 19,702,427 | (505,146) | - | - | 19,197,281 |
| Pension deferrals | - | 11,377,051 | - | - | 11,377,051 |
| Total Deferred Inflow of Resources | <u>19,702,427</u> | <u>10,871,905</u> | <u>-</u> | <u>-</u> | <u>30,574,332</u> |
| Net Position | <u>\$ 29,470,645</u> | <u>\$ 38,931,853</u> | <u>\$ 3,558,210</u> | <u>\$ -</u> | <u>\$ 71,960,708</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (Continued)

- (1) When capital assets (land, rights-of-way/easements, infrastructure, buildings, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

| | |
|--------------------------|-----------------------|
| Cost of capital assets | \$ 194,965,123 |
| Accumulated depreciation | <u>(60,514,648)</u> |
| | <u>\$ 134,450,475</u> |

Bond refunding losses are expended in the governmental funds when incurred, but are capitalized and amortized in the statement of net position.

| | |
|---|---------------------|
| Bond refunding losses | \$ 2,515,000 |
| Accumulated amortization of bond refunding losses | <u>(970,044)</u> |
| | <u>\$ 1,544,956</u> |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

| | |
|---|------------------------|
| Accrued post-employment benefit obligations | \$ (4,308,061) |
| Compensated absences | (1,643,327) |
| Accrued interest payable | (146,590) |
| Bonds, capital improvement notes, loans and capital lease obligations (net of \$746,535 accumulated amortization of bond/capital lease obligations premium) | <u>(83,400,545)</u> |
| | <u>\$ (89,498,523)</u> |

Deferred outflows of resources and deferred inflows of resources related to pensions are not reported in the governmental funds. However, such amounts are reported in the statement of net position.

| | |
|---------------------------------------|-----------------------|
| Deferred outflows related to pensions | \$ 3,992,414 |
| Deferred inflows related to pensions | <u>(11,377,051)</u> |
| | <u>\$ (7,384,637)</u> |

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance. Deferred revenue for the non-current property tax receivables shown on the governmental fund statements is not deferred on the statement of net position.

| | |
|------------------------------------|-------------------|
| Deferred tax revenue (non-current) | <u>\$ 505,146</u> |
|------------------------------------|-------------------|

Net pension assets of the agent plan are not current financial resources and, therefore, are not reported in the governmental funds.

| | |
|--------------------|------------------|
| Net pension assets | <u>\$ 94,221</u> |
|--------------------|------------------|

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (Continued)

(1) Continued

Net pension obligations of the agent plan are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net pension obligations \$ (779,785)

(2) Internal service funds are used by management to charge the costs of self-insurance, fleet maintenance, and data processing services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

\$ 3,558,210

(B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The net change in fund balances for governmental funds differ from the change in net position for governmental activities reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated below.

| | Total Governmental Funds | Long-term Revenues, Expenditures (3) | Capital- Related Items (4) | Long-term Debt Transactions (5) | Internal Service Funds (6) | Reclass- ifications | Statement of Activities |
|--|--------------------------------|---|-------------------------------------|--|-------------------------------------|------------------------|-------------------------------|
| Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | \$ 28,818,837 | \$ (19,919) | \$ - | \$ - | \$ - | \$ - | \$ 28,798,918 |
| Local option sales taxes | 16,182,867 | - | - | - | - | - | 16,182,867 |
| Other taxes | 4,017,698 | - | - | - | - | - | 4,017,698 |
| Licenses, permits and fees | 327,361 | - | - | - | - | - | 327,361 |
| Intergovernmental: | | | | | | | |
| State taxes | 3,696,406 | - | - | - | - | - | 3,696,406 |
| Federal grants | 2,005,768 | - | - | - | - | - | 2,005,768 |
| State grants | 428,100 | - | - | - | - | - | 428,100 |
| U.S.D.A. revenues | 1,036,561 | - | - | - | - | - | 1,036,561 |
| Other state revenues | 19,203,712 | - | - | - | - | - | 19,203,712 |
| Other federal revenues | 29,552 | - | - | - | - | - | 29,552 |
| Other local revenues | 309,998 | - | - | - | - | - | 309,998 |
| Charges for services | 4,187,186 | - | - | - | - | - | 4,187,186 |
| Fines, forfeitures, and costs | 60,113 | - | - | - | - | - | 60,113 |
| Investment income | 256,400 | - | - | - | - | - | 256,400 |
| Miscellaneous revenue | 2,183,150 | 53,573 | (89,181) | - | - | - | 2,147,542 |
| Gain (loss) on deletion of capital assets | - | - | 48,583 | - | - | - | 48,583 |
| Total Revenues | <u>82,743,709</u> | <u>33,654</u> | <u>(40,598)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>82,736,765</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

| | Total Governmental Funds | Long-term Revenues, Expenditures (3) | Capital- Related Items (4) | Long-term Debt Transactions (5) | Internal Service Funds (6) | Reclass- ifications | Statement of Activities |
|--|--------------------------------|---|-------------------------------------|--|-------------------------------------|------------------------|-------------------------------|
| Expenditures/Expenses | | | | | | | |
| Current: | | | | | | | |
| General government | 3,700,705 | (198,796) | 428,925 | - | (404,149) | 1,292,612 | 4,819,297 |
| Public safety | 8,589,950 | (468,801) | 603,005 | - | - | - | 8,724,154 |
| Public works | 6,292,611 | (185,270) | 1,192,499 | - | - | (185,285) | 7,114,555 |
| Culture & Recreation | 2,363,093 | - | 949,630 | - | - | - | 3,312,723 |
| Economic development | 8,954 | 9,105 | - | - | - | - | 18,059 |
| Nondepartmental costs | 1,292,612 | - | - | - | - | (1,292,612) | - |
| Education | 50,269,984 | (1,879,119) | 2,364,516 | - | - | (1,493,903) | 49,261,478 |
| Debt Service: | | | | | | | |
| Principal retirement | 3,138,099 | - | - | (3,138,099) | - | - | - |
| Interest & fiscal fees | 2,119,402 | 12,296 | - | 42,744 | - | 593,169 | 2,767,611 |
| Payments under capital lease | 1,254,316 | - | - | (661,147) | - | (593,169) | - |
| Capital Outlay | <u>2,691,341</u> | <u>-</u> | <u>(4,370,529)</u> | <u>-</u> | <u>-</u> | <u>1,679,188</u> | <u>-</u> |
| Total Expenditures | <u>81,721,067</u> | <u>(2,710,585)</u> | <u>1,168,046</u> | <u>(3,756,502)</u> | <u>(404,149)</u> | <u>-</u> | <u>76,017,877</u> |
| Other Financing Sources (Uses)/Changes in Net Position | | | | | | | |
| Transfers In (Out) - | | | | | | | |
| In-lieu-of-tax payments | 1,192,314 | - | - | - | - | - | 1,192,314 |
| Proceeds from refunding debt | 9,998,315 | - | - | (9,998,315) | - | - | - |
| Payments to refunding agent | (9,830,000) | - | - | 9,830,000 | - | - | - |
| Change in reserve for inventory | <u>(6,257)</u> | <u>6,257</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses)/Changes in Net Position | <u>1,354,372</u> | <u>6,257</u> | <u>-</u> | <u>(168,315)</u> | <u>-</u> | <u>-</u> | <u>1,192,314</u> |
| Net Change for the Year | <u>\$ 2,377,014</u> | <u>\$ 2,750,496</u> | <u>\$ (1,208,644)</u> | <u>\$ 3,588,187</u> | <u>\$ 404,149</u> | <u>\$ -</u> | <u>\$ 7,911,202</u> |

- (3) Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered as available revenues in the governmental funds. The revenue is, however, recognized in the government-wide statements. At the time that the revenue is received, it is recorded in the governmental funds and reversed from the government-wide statements.

Property tax \$ (19,919)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|---------------------|
| Change in accrual for compensated absences | \$ (88,088) |
| Change in accrued interest payable | (12,296) |
| Change in accrual for post-employment benefit obligations | (765,545) |
| Change in net pension liability/asset | (685,564) |
| Change in deferred outflows related to pensions | 3,992,414 |
| Change in deferred inflows related to pensions | <u>329,494</u> |
| | <u>\$ 2,770,415</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued):

(B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

- (4) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas, net position decrease by the amount of depreciation expense charged for the year, and the loss on disposal of capital assets.

| | |
|---|-----------------------|
| Capital expenditures (net of capital expenditures recorded in Internal Service Funds) | \$ 4,370,529 |
| Depreciation expense (net of depreciation expense recorded in the Internal Service Funds) | <u>(5,538,575)</u> |
| Difference | <u>\$ (1,168,046)</u> |

Governmental Funds only report the disposal of capital assets to the extent proceeds are received from the disposal. In the statement of activities, gains or losses are recorded for disposals.

| | |
|------------------------------|--------------------|
| Deleted capital assets (net) | \$ 40,598 |
| Proceeds | (89,181) |
| Trade-in Allowance | <u>-</u> |
| Difference | <u>\$ (48,583)</u> |

- (5) Bond premium is reported as other financing sources in governmental funds and, thus, has the effect of increasing fund balance because current financial resources have been provided. However, in the statement of activities bond premium is capitalized and amortized.

| | |
|------------------------------|-------------------|
| Amortization of bond premium | <u>\$ 145,824</u> |
|------------------------------|-------------------|

Repayment of debt principal is reported as a expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities. The City's long-term debt was reduced because principle payments were made to holders of long-term debt.

| | |
|-------------------------|----------------------|
| Principal payments made | <u>\$ 13,629,246</u> |
|-------------------------|----------------------|

Issuance of debt is reported as a financing source in governmental funds and thus contributes to the change in fund balance. In the governmental-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Long-term debt increased as follows:

| | |
|--------------------------|---------------------|
| General obligation bonds | <u>\$ 9,998,315</u> |
|--------------------------|---------------------|

Amounts paid to debt refunding agents representing losses on debt refunding are reported as other financing uses in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. However, in the statement of activities these refunding losses are capitalized and amortized.

| | |
|---------------------------------------|-------------------|
| Amortization of debt refunding losses | <u>\$ 188,568</u> |
|---------------------------------------|-------------------|

- (6) Internal service funds are used by management to charge the costs of self-insurance, fleet maintenance, and data processing services to individual funds. The adjustments for internal service funds close those funds by crediting amounts to participating governmental activities to adjust internal service funds' net income for the year.

| | |
|--|-------------------|
| | <u>\$ 404,149</u> |
|--|-------------------|

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – PROPERTY TAX:

The City's property tax is levied each September 1st on the assessed value as listed by the County Assessor and is payable by each November 30th. Beginning December 1st interest and penalty accrued on unpaid property taxes. The lien date is January 1st of the year of levy. The assessed values are established by the County Assessment Board. The City's tax rate for the year ended June 30, 2015, was \$2.17 per \$100 of assessed value.

Property taxes levied for 2014 and prior years, but uncollected as of June 30, 2015, are recorded as receivables, net of estimated uncollectibles based upon collections in prior years. The Allowance for Uncollectible Property Taxes as of June 30, 2015 is \$144,972. The taxes collected during the fiscal year ended June 30, 2015, and those taxes expected to be collected in the subsequent sixty (60) days, are recognized as revenues in the fiscal year ended June 30, 2015. All other taxes are recorded as deferred revenue.

Property taxes levied for 2015 are recorded as receivables and deferred revenue.

NOTE 4 - CASH AND INVESTMENTS:

The City's investment policy allows investments in obligations of the U.S. Treasury and other authorized investments as more fully explained in Note 1.

Cash and investments include bank balances and investments that at the balance sheet date were either entirely insured or collateralized with securities held by the Tennessee Investment Collateral Pool.

Investments are shown at fair value; except that investments that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices.

Investments in the Local Government Investment Pool are reported at amortized cost. The State Pooled Investment Fund, of which the Local Government Investment Pool is a part, is managed like a SEC 2a-7 fund. The same investment guidelines are followed, but the State Pooled Investment Fund does not report to the SEC. Additional information regarding the Local Government Investment Pool is available from the Local Government Investment Pool, P. O. Box 198785, Nashville, Tennessee 37219-8785 or by calling (615) 532-1163.

The shares in the Local Government Investment Pool are constant dollar. Therefore, the fair value of the position in the Pool is the same as the value of the Pool shares.

The State Pooled Investment Fund is governed by the State Funding Board in accordance with Tennessee Code Annotated. The Funding Board is comprised of the State Treasurer, the Comptroller, the Commissioner of Finance and Administration, the Secretary of State, and the Governor. Reporting is done monthly, quarterly, and annually and there are regularly scheduled meetings. The Funding Board has developed an Investment Policy which meets SEC 2a-7 requirements and state laws. The collateral pool has received no credit quality rating from a credit rating agency.

During the year ended June 30, 2015, the City had no realized gains or losses from the maturity and sale of investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in fair value of investments reported in the prior year.

The City's total Cash and Investments of \$50,565,621 at June 30, 2015 is classified below:

Table 1: Total Cash and Investments at June 30, 2015

| <u>Type</u> | <u>Amount</u> |
|--|----------------------|
| Petty and working cash | \$ 3,280 |
| Local financial institutions – checking and savings accounts | 9,916,978 |
| Certificates of Deposit | 2,754,107 |
| U.S. Treasury Notes | 2,753,952 |
| Federal Home Loan Mortgage Corp | 502,800 |
| Local Government Municipal Bond | 500,410 |
| State of Tennessee Local Government Investment Pool | <u>34,134,094</u> |
| Total Cash and Investments | <u>\$ 50,565,621</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 - CASH AND INVESTMENTS (Continued):

As of June 30, 2015 the City had the following investments and maturities:

Table 2: Investments and Maturities at June 30, 2015

| | <u>Fair Value</u> | <u>Less Than 1 Year</u> | <u>1 – 5 Years</u> | <u>6 – 10 Years</u> | <u>More Than 10 Years</u> |
|---------------------------------|-----------------------|-----------------------------|------------------------|-------------------------|-------------------------------|
| State of Tennessee Local | | | | | |
| Government Investment Pool | \$ 34,134,094 | \$ 34,134,094 | \$ - | \$ - | \$ - |
| Certificates of Deposit | 2,754,107 | 2,754,107 | - | - | - |
| Federal Home Loan Mortgage Corp | 502,800 | - | 502,800 | - | - |
| Local Government Municipal Bond | 500,410 | 500,410 | - | - | - |
| U.S. Treasury Notes | <u>2,753,952</u> | <u>250,175</u> | <u>2,503,777</u> | - | - |
| Total Investment and Maturities | <u>\$ 40,645,363</u> | <u>\$ 37,638,786</u> | <u>\$ 3,006,577</u> | <u>\$ -</u> | <u>\$ -</u> |

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates may affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. While the City has no formal policy to limit its interest rate risk, it manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is the measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the governing code, the City's investment policy, or debt agreements, and the actual rating as of the end of year for each investment type.

Table 3: Investments and Ratings at June 30, 2015

| | <u>Par Value</u> | <u>Moody's AAA</u> | <u>S &P AA</u> |
|---------------------------------|---------------------|------------------------|------------------------|
| U.S. Treasury | \$ 2,750,000 | \$ 2,750,000 | \$ 2,750,000 |
| Federal Home Loan Mortgage Corp | 500,000 | - | 500,000 |
| State municipal securities | <u>500,000</u> | - | <u>500,000</u> |
| Total Investment | <u>\$ 3,750,000</u> | <u>\$ 2,750,000</u> | <u>\$ 3,750,000</u> |

Concentrations of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. 84% of investments are in the State of Tennessee Local Government Investment Pool. The remaining 16% are invested in certificates of deposits, U.S. Government Securities, and a local government municipal bond. No certificate at any one financial institution exceeded the federal deposit insurance corporation coverage.

Pooled Cash and Investment Accounts - Among the City of Maryville, Tennessee's various accounts are one (1) checking account and two (2) investment accounts which are shared by various funds in order to reduce the number of accounts used by the City. A summary of this equity in pooled accounts is shown in Table 4.

Table 4: Summary of Equity in Pooled Cash and Investments

| <u>Fund</u> | <u>Equity in Pooled Cash</u> | <u>Equity in Pooled Investments</u> |
|-------------------|----------------------------------|---|
| Major Funds: | | |
| General Fund | \$ 2,504,312 | \$ 6,157,457 |
| Debt Service Fund | - | 8,025,226 |
| Non Major Funds | <u>163,513</u> | <u>3,857,840</u> |
| | <u>\$ 2,667,825</u> | <u>\$ 18,040,523</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 – INTERFUND RECEIVABLES/PAYABLES:

As of June 30, 2015, interfund receivables and payables were as shown in Table 5 below.

Table 5: Interfund Receivables/Payables at June 30, 2015

| <u>Fund</u> | <u>Amount</u> | <u>Fund</u> | <u>Amount</u> |
|------------------------------------|---------------------|---------------------------------|---------------------|
| INTERFUND RECEIVABLES: | | INTERFUND PAYABLES: | |
| General Fund | \$ 16,550 | General Fund | \$ 2,081,092 |
| General Purpose School Fund | 330,189 | General Purpose School Fund | - |
| Nonmajor Governmental Funds | - | Nonmajor Governmental Funds | 420,482 |
| Electric Department | 141,085 | Electric Department | 443,773 |
| Water and Sewer Department | 194,256 | Water and Sewer Department | 130,935 |
| Nonmajor Enterprise Fund | - | Nonmajor Enterprise Fund | 177,523 |
| Internal Service Funds | 3,182,271 | Internal Service Funds | 610,546 |
| Total Interfund Receivables | \$ 3,864,351 | Total Interfund Payables | \$ 3,864,351 |

The above balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Transfers during the year are as follows:

Table 6: Interfund Transfers

| <u>Transfer From</u> | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>General Purpose School Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Totals</u> |
|----------------------------|---------------------|--------------------------|------------------------------------|------------------------------------|----------------------|
| General Fund | \$ - | \$ 4,905,000 | \$ 9,222,500 | \$ 1,645,194 | \$ 15,772,694 |
| Electric Department | 992,740 | - | - | - | 992,740 |
| Water and Sewer Department | 499,574 | - | - | - | 499,574 |
| | <u>\$ 1,492,314</u> | <u>\$ 4,905,000</u> | <u>\$ 9,222,500</u> | <u>\$ 1,645,194</u> | <u>\$ 17,265,008</u> |

The transfers from the General Fund are to fund the operating activities of the receiving fund. The transfers from the Electric Department and Water and Sewer Department are transfers in lieu of payment of taxes.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – CAPITAL ASSETS:

A summary of Capital Asset Activity, for the government-wide financial statements, for the fiscal year ended June 30, 2015 is as follows:

Table 7: Summary of Changes In Capital Asset Activity

| | <u>Balance July 1, 2014</u> | <u>Reclass- ifications</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2015</u> |
|---|---------------------------------|--------------------------------|---------------------|-------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Non-depreciable Assets: | | | | | |
| Land | \$ 6,680,451 | \$ - | \$ - | \$ - | \$ 6,680,451 |
| Rights-of-way/Easements | 122,130 | - | - | - | 122,130 |
| Construction-in-progress | <u>450,706</u> | <u>-</u> | <u>1,303,141</u> | <u>468,041</u> | <u>1,285,806</u> |
| Total Non-depreciable Assets | <u>7,253,287</u> | <u>-</u> | <u>1,303,141</u> | <u>468,041</u> | <u>8,088,387</u> |
| Depreciable Assets: | | | | | |
| Buildings | 101,004,058 | - | - | - | 101,004,058 |
| Improvements | 23,608,522 | - | 1,455,614 | - | 25,064,136 |
| Infrastructure | 18,802,800 | - | 28,480 | - | 18,831,280 |
| Capital lease property: | | | | | |
| Buildings (Civic Arts Center) | 23,075,000 | - | - | - | 23,075,000 |
| Communications equipment | 1,391,663 | - | - | - | 1,391,663 |
| Equipment and vehicles | <u>17,511,118</u> | <u>-</u> | <u>2,051,335</u> | <u>438,113</u> | <u>19,124,340</u> |
| Total Depreciable Assets | <u>185,393,161</u> | <u>-</u> | <u>3,535,429</u> | <u>438,113</u> | <u>188,490,477</u> |
| Accumulated Depreciation: | | | | | |
| Buildings | 25,565,190 | - | 2,011,414 | - | 27,576,604 |
| Improvements | 5,646,039 | - | 755,747 | - | 6,401,786 |
| Infrastructure | 9,679,651 | - | 589,934 | - | 10,269,585 |
| Capital lease property | 4,420,320 | - | 1,013,219 | - | 5,433,539 |
| Equipment and vehicles | <u>11,218,094</u> | <u>-</u> | <u>1,274,928</u> | <u>397,515</u> | <u>12,095,507</u> |
| Total Accumulated Depreciation | <u>56,529,294</u> | <u>-</u> | <u>5,645,242</u> | <u>397,515</u> | <u>61,777,021</u> |
| Net Depreciable Assets | <u>128,863,867</u> | <u>-</u> | <u>(2,109,813)</u> | <u>40,598</u> | <u>126,713,456</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 136,117,154</u> | <u>\$ -</u> | <u>\$ (806,672)</u> | <u>\$ 508,639</u> | <u>\$ 134,801,843</u> |
| Business-type Activities: | | | | | |
| Non-depreciable Assets: | | | | | |
| Land and Land Rights | \$ 1,991,080 | \$ - | \$ - | \$ - | \$ 1,991,080 |
| Construction-in-progress | <u>2,283,609</u> | <u>-</u> | <u>7,710,016</u> | <u>6,430,069</u> | <u>3,563,556</u> |
| Total Non-depreciable Assets | <u>4,274,689</u> | <u>-</u> | <u>7,710,016</u> | <u>6,430,069</u> | <u>5,554,636</u> |
| Depreciable Assets: | | | | | |
| Utility plant acquisition costs | 162,770 | - | - | - | 162,770 |
| Electric plant in service: | | | | | |
| Transmission | 5,160,622 | - | 642,898 | 26,767 | 5,776,753 |
| Distribution | 53,478,483 | - | 2,837,486 | 522,356 | 55,793,613 |
| General | 6,911,626 | - | 549,870 | 181,378 | 7,280,118 |
| Water plant in service | 40,849,828 | - | 1,572,412 | 251,839 | 42,170,401 |
| Sewer plant in service | 83,757,656 | - | 827,203 | 59,743 | 84,525,116 |
| Stormwater plant in service | <u>2,080,150</u> | <u>-</u> | <u>887,996</u> | <u>205</u> | <u>2,967,941</u> |
| Total Depreciable Assets | <u>192,401,135</u> | <u>-</u> | <u>7,317,865</u> | <u>1,042,288</u> | <u>198,676,712</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued):

Table 7: Summary of Changes In Capital Asset Activity (Continued)

| | <u>Balance July 1, 2014</u> | <u>Reclass- ifications</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2015</u> |
|--|---------------------------------|--------------------------------|---------------------|---------------------|----------------------------------|
| Accumulated Depreciation: | | | | | |
| Utility plant acquisition costs | 162,770 | - | - | - | 162,770 |
| Electric plant in service: | | | | | |
| Transmission | 2,235,383 | - | 131,061 | 26,767 | 2,339,677 |
| Distribution | 20,797,473 | - | 1,953,554 | 527,983 | 22,223,044 |
| General | 4,426,040 | - | 392,111 | 129,228 | 4,688,923 |
| Water plant in service | 15,702,216 | - | 1,269,112 | 339,123 | 16,632,205 |
| Sewer plant in service | 19,765,143 | - | 2,136,950 | 91,041 | 21,811,052 |
| Stormwater plant in service | <u>194,040</u> | <u>-</u> | <u>104,408</u> | <u>205</u> | <u>298,243</u> |
| Total Accumulated Depreciation | <u>63,283,065</u> | <u>-</u> | <u>5,987,196</u> | <u>1,114,347</u> | <u>68,155,914</u> |
| Net Depreciable Assets | <u>129,118,070</u> | <u>-</u> | <u>1,330,669</u> | <u>(72,059)</u> | <u>130,520,798</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 133,392,759</u> | <u>\$ -</u> | <u>\$ 9,040,685</u> | <u>\$ 6,358,010</u> | <u>\$ 136,075,434</u> |

Depreciation expense was charged to the governmental functions in the government-wide financial statement as follows:

| | |
|--|---------------------|
| General Government | \$ 535,592 |
| Public Safety | 603,005 |
| Public Works | 1,192,499 |
| Culture and Recreation | 949,630 |
| Education | <u>2,364,516</u> |
| Total Depreciation Expense – Governmental Activities | <u>\$ 5,645,242</u> |

NOTE 7 – LONG-TERM DEBT:

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. General obligation bonds outstanding at June 30, 2015 were as follows:

\$14,750,000 – 2008 General Obligation Refunding, due in annual installments of \$400,000 to \$1,470,000 through June 1, 2021; interest at 4.0% to 5.0%. The proceeds were used to refund existing debt in both general government and business-type activities. At June 30, 2014 the balance for general government and business-type activities was \$555,000 and \$4,805,000 respectively. \$ 5,360,000

\$44,625,000 – 2009 Local Government Public Improvement, due in annual installments of \$150,000 to \$1,650,000 through June 1, 2033; interest at a variable rate. The proceeds were used to currently refund existing debt in both general government and business-type activities. During the fiscal year ended June 30, 2015 this issue was partially refunded by 2015 General Obligation Refunding Bonds. At June 30, 2015 the balance of \$3,375,000 was for general government activities. 3,375,000

\$11,540,000 – 2009A General Obligation Refunding, due in annual installments of \$180,000 to \$1,680,000 through June 1, 2019; interest at 3.0% to 4.0%. The proceeds were used to currently refund existing debt in general government activities. 4,475,000

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued):

General Obligation Bonds. (Continued)

| | |
|---|-------------------|
| \$16,365,000 – 2009B General Obligation Refunding, due in annual installments of \$375,000 to \$3,810,000 through June 1, 2024; interest at 4.0% to 5.0%. The proceeds were used to currently refund existing debt in both general government and business-type activities. At June 30, 2015 the balance for general government and business-type activities was \$11,555,000 and \$4,810,000 respectively. | 16,365,000 |
| \$2,785,000 – 2009C General Obligation Refunding, due in annual installments of \$75,000 to \$1,640,000 through June 1, 2019; interest at 1.25% to 4.50%. The proceeds were used to currently refund existing debt in both general government and business-type activities. At June 30, 2015 the balance for general government and business-type activities was \$1,805,000 and \$595,000 respectively. | 2,400,000 |
| \$2,500,000 – 2010 General Obligation Public Improvement, due in annual installments of \$155,000 to \$205,000 through June 1, 2025; interest at 2.0% to 3.50%. The proceeds were used to finance capital acquisitions of business-type activities. | 1,775,000 |
| \$14,170,000 – 2010B General Obligation Refunding, due in annual installments of \$1,010,000 to \$2,280,000 through June 1, 2030; interest at 3.5% to 4.0%. The proceeds were used to currently refund existing debt in the general government. | 14,170,000 |
| \$9,850,000 – 2015 General Obligation Refunding, due in annual installments of \$1,010,000 To \$2,280,000 through June 1, 2030; interest at 3%. The proceeds were used to partially refund existing debt in the general government. | <u>9,855,000</u> |
| | <u>57,775,000</u> |

Revenue Bonds. The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds for proprietary activities are reported in the Proprietary Funds as they are to be repaid from proprietary revenues. In addition, revenue bonds have been issued to refund revenue bonds. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. Revenue bonds outstanding at June 30, 2015 were as follows:

| | |
|--|-------------------|
| \$3,100,000 – 2007 Electric Revenue Bonds, due in installments of \$245,000 to \$300,000 0 through June 1, 2021; interest at 4.0 to 5.0% | \$ 1,630,000 |
| \$34,500,000 – 2008 Water and Sewer Revenue and Tax Bonds – Series A, due in installments of \$250,000 to \$2,750,000 through June 1, 2038; interest at 4.0% to 5.0% | 33,250,000 |
| \$4,100,000 – 2008 Water and Sewer Revenue and Tax Bonds – Series B, due in installments of \$190,000 to \$325,000 through June 1, 2028; interest at 4.0% to 5.0%. | <u>3,265,000</u> |
| | <u>38,145,000</u> |

Tennessee Local Government Public Improvement Bond Financing Program Loans. The City participates in the Tennessee Local Government Public Improvement Bond Financing Program under which monies are borrowed from various Public Building Authorities to finance costs of capital projects as stipulated under loan agreements. Such loans outstanding at June 30, 2015 were as follows:

| | |
|---|------------------|
| \$2,000,000 – 2006 Tennessee Local Government Public Improvement Bond Financing Program Loan Series B-10-A, due in annual installments of \$225,000 to \$240,000 through June 1, 2017; interest at 5.55% to 5.85% | 465,000 |
| \$3,000,000 – 2009 Tennessee Local Government Public Improvement Bond Financing Program Loan Series B-17-A, due in annual installments of \$195,000 to \$275,000 through June 1, 2033; interest at 3% to 4.25%. | <u>1,860,000</u> |
| | <u>2,325,000</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued):

Tennessee State School Bond Authority. During the fiscal year ended June 30, 2010, the City obtained a loan from the Tennessee State School Bond Authority in the amount of \$18,720,000. The proceeds were used to fund the construction of a new school. The note outstanding at June 30, 2015 was as follows:

\$18,720,000 – Tennessee State School Bond Authority Note, due in monthly installments of \$97,342 to \$110,118 through July 1, 2026; non-interest bearing except for any supplemental coupon and any conversion coupon required to be paid 12,976,847

Tennessee Revolving Fund. During the fiscal year ended June 30, 2010, the City was approved for a loan from the Tennessee Revolving Fund in the amount of \$3,840,000. Of the total loan, \$1,920,000 was funded from American Recovery and Reinvestment Act of 2009 funds. Of this amount, \$1,536,000 was subject to principal forgiveness. \$3,840,000 was drawn against the award of which \$2,304,000 was reported as a note payable.

\$2,304,000 – Tennessee Revolving Fund loan, due in monthly payments to begin ninety (90) days after the completion of the project and continuing for twenty (20) years, interest at 2.09%.
continuing for twenty (20) years; interest at 2.09%. 1,915,788
Total Debt Payable \$ 113,137,635

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various debt service funds and revenue bonds reserve funds. The City is in compliance with all significant limitations and restrictions.

Premiums related to the issuance of the General Obligation and Revenue Bonds are being amortized over the life of the bonds.

Variable interest rates are based primarily on the weighted-average bond rate in effect during the quarter.

The following is a summary of debt transactions of the City for the fiscal year ended June 30, 2015:

Table 8: Summary of Debt Transactions

| | <u>Debt Payable</u> <u>July 1, 2014</u> | <u>Debt</u> <u>Acquired</u> | <u>Debt</u> <u>Retired</u> | <u>Debt Payable</u> <u>June 30, 2015</u> |
|---------------------------------------|--|--|---|---|
| Tennessee Local Government Public | | | | |
| Improvement Bond Financing Program | \$ 2,720,000 | \$ - | \$ 395,000 | \$ 2,325,000 |
| Tennessee Revolving Fund | 2,015,856 | - | 100,068 | 1,915,788 |
| Tennessee State School Bond Authority | 14,144,946 | - | 1,168,099 | 12,976,847 |
| General Obligation Bonds | 60,650,000 | 9,855,000 | 12,730,000 | 57,775,000 |
| Revenue Bonds | <u>38,810,000</u> | <u>-</u> | <u>665,000</u> | <u>38,145,000</u> |
| Totals | <u>\$ 118,340,802</u> | <u>\$ 9,855,000</u> | <u>\$ 15,058,167</u> | <u>\$ 113,137,635</u> |

On May 27, 2015, the City issued \$9,855,000 of General Obligation Refunding Bonds, Series 2015, which were used to refund a portion of the 2009A General Obligation Refunding Bond Issue. The bonds were issued at a premium of \$143,315. Of the total proceeds of \$9,998,315, \$9,830,000 was deposited with the refunding escrow agent to refund a portion of the 2009A Issue. The reacquisition price was equal to the carrying value of the refunded debt.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued):

The following discloses the City's debt service requirements as of June 30, 2015, for the next five (5) years and in five (5)-year increments thereafter:

Table 9: Debt Service Requirements

| Fiscal Years Ending June 30, | Governmental Activities | | Business-Type Activities | | Total |
|---------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2016 | \$ 3,203,099 | \$ 2,165,355 | \$ 2,167,144 | \$ 2,292,268 | \$ 9,827,866 |
| 2017 | 3,278,099 | 2,090,161 | 2,279,268 | 2,193,882 | 9,841,410 |
| 2018 | 3,118,099 | 1,998,387 | 2,396,440 | 2,091,251 | 9,604,177 |
| 2019 | 3,213,099 | 1,920,196 | 2,543,648 | 1,986,093 | 9,663,036 |
| 2020 | <u>3,503,099</u> | <u>1,831,208</u> | <u>2,655,916</u> | <u>1,876,073</u> | <u>9,866,296</u> |
| Subtotal | <u>16,315,495</u> | <u>10,005,307</u> | <u>12,042,416</u> | <u>10,439,567</u> | <u>48,802,785</u> |
| 2021 | 3,643,099 | 1,737,220 | 2,803,220 | 1,767,945 | 9,951,484 |
| 2022 | 3,828,099 | 1,615,346 | 2,205,572 | 1,642,492 | 9,291,509 |
| 2023 | 3,968,099 | 1,508,295 | 1,867,972 | 1,557,880 | 8,902,246 |
| 2024 | 4,483,099 | 1,395,608 | 1,990,432 | 1,482,470 | 9,351,609 |
| 2025 | <u>3,723,099</u> | <u>1,263,008</u> | <u>2,057,940</u> | <u>1,404,074</u> | <u>8,448,121</u> |
| Subtotal | <u>19,645,495</u> | <u>7,519,477</u> | <u>10,925,136</u> | <u>7,854,861</u> | <u>45,944,969</u> |
| 2026 | 3,245,857 | 1,160,808 | 1,920,496 | 1,320,819 | 7,647,980 |
| 2027 | 2,030,000 | 799,200 | 2,043,100 | 1,241,927 | 6,114,227 |
| 2028 | 2,135,000 | 718,000 | 2,155,764 | 1,155,482 | 6,164,246 |
| 2029 | 2,340,000 | 632,600 | 1,933,488 | 1,064,164 | 5,970,252 |
| 2030 | <u>3,030,000</u> | <u>540,300</u> | <u>2,036,260</u> | <u>980,392</u> | <u>6,586,952</u> |
| Subtotal | <u>12,780,857</u> | <u>3,850,908</u> | <u>10,089,108</u> | <u>5,762,784</u> | <u>32,483,657</u> |
| 2031 | 3,650,000 | 438,000 | 2,139,128 | 892,062 | 7,119,190 |
| 2032 | 3,800,000 | 297,000 | 2,100,000 | 800,500 | 6,997,500 |
| 2033 | 2,450,000 | 150,000 | 2,200,000 | 706,000 | 5,506,000 |
| 2034 | 2,090,000 | 73,500 | 2,300,000 | 607,000 | 5,070,500 |
| 2035 | <u>360,000</u> | <u>10,800</u> | <u>2,400,000</u> | <u>503,500</u> | <u>3,274,300</u> |
| Subtotal | <u>12,350,000</u> | <u>969,300</u> | <u>11,139,128</u> | <u>3,509,062</u> | <u>27,967,490</u> |
| 3036 | - | - | 2,500,000 | 392,500 | 2,892,500 |
| 2037 | - | - | 2,600,000 | 267,500 | 2,867,500 |
| 2038 | <u>-</u> | <u>-</u> | <u>2,750,000</u> | <u>137,500</u> | <u>2,887,500</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>7,850,000</u> | <u>797,500</u> | <u>8,647,500</u> |
| Totals | <u>\$ 61,091,847</u> | <u>\$ 22,344,992</u> | <u>\$ 52,045,788</u> | <u>\$ 28,363,774</u> | <u>\$ 163,846,401</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 – LONG-TERM DEBT (Continued):

The follow is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2015:

Table 10: Summary of Changes in Long-term Liabilities

| | <u>Beginning Balance July 1, 2014</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance June 30, 2015</u> | <u>Amounts Due Within One Year</u> |
|--|--|-------------------------|--------------------------|--|---|
| Governmental Activities: | | | | | |
| Debt Payable: | | | | | |
| Loans payable – Tennessee Local Government Public Improvement Bond Financing Program | \$ 2,720,000 | \$ - | \$ 395,000 | \$ 2,325,000 | \$ 420,000 |
| Loan Payable – Tennessee State School Bond Authority | 14,144,946 | - | 1,168,099 | 12,976,847 | 1,168,099 |
| General Obligation bonds payable | 47,340,000 | 9,855,000 | 11,405,000 | 45,790,000 | 1,615,000 |
| Premium on bonds | <u>1,717,562</u> | <u>143,315</u> | <u>145,824</u> | <u>1,715,053</u> | <u>152,393</u> |
| Total Debt Payable | <u>65,922,508</u> | <u>9,998,315</u> | <u>13,113,923</u> | <u>62,806,900</u> | <u>3,355,492</u> |
| Other Liabilities: | | | | | |
| Capital lease obligations | 21,254,792 | - | 661,147 | 20,593,645 | 684,567 |
| Compensated absences | 1,555,239 | 681,847 | 593,759 | 1,643,327 | 588,943 |
| Accrued post-employment benefit obligations | <u>3,542,516</u> | <u>1,633,470</u> | <u>867,925</u> | <u>4,308,061</u> | <u>-</u> |
| Total Other Liabilities | <u>26,352,547</u> | <u>2,315,317</u> | <u>2,122,831</u> | <u>26,545,033</u> | <u>1,273,510</u> |
| Total Long-term Liabilities – Governmental Activities | <u>\$ 92,275,055</u> | <u>\$ 12,313,632</u> | <u>\$ 15,236,754</u> | <u>\$ 89,351,933</u> | <u>\$ 4,629,002</u> |
| Business-type Activities: | | | | | |
| Debt Payable: | | | | | |
| Loans payable – Tennessee Revolving Fund | \$ 2,015,856 | \$ - | \$ 100,068 | \$ 1,915,788 | \$ 102,144 |
| Revenue bonds payable | 38,810,000 | - | 665,000 | 38,145,000 | 685,000 |
| General Obligation bonds payable | 13,310,000 | - | 1,325,000 | 11,985,000 | 1,380,000 |
| Premium on bonds | <u>561,981</u> | <u>-</u> | <u>58,537</u> | <u>503,444</u> | <u>58,537</u> |
| Total Debt Payable | <u>54,697,837</u> | <u>-</u> | <u>2,148,605</u> | <u>52,549,232</u> | <u>2,225,681</u> |
| Other Liabilities: | | | | | |
| Compensated absences | 1,639,514 | 614,597 | 590,111 | 1,664,000 | 575,382 |
| Accrued post-employment benefit obligations | <u>1,051,266</u> | <u>226,772</u> | <u>100,748</u> | <u>1,177,290</u> | <u>-</u> |
| Total Other Liabilities | <u>2,690,780</u> | <u>841,369</u> | <u>690,859</u> | <u>2,841,290</u> | <u>575,382</u> |
| Total Long-term Liabilities - Business-type Activities | <u>\$ 57,388,617</u> | <u>\$ 841,369</u> | <u>\$ 2,839,464</u> | <u>\$ 55,390,522</u> | <u>\$ 2,801,063</u> |

For the governmental activities, compensated absences, net pension obligations, and net other post-employment benefit obligations were generally liquidated by the General Fund in prior years.

During the fiscal year ended June 30, 2004 Blount County, Tennessee issued \$1,325,000 in bonds on behalf of the Recreation and Parks Commission for the construction of a new Senior Citizen Center. The City agreed to fund thirty percent (30%) of the debt service payments. For the fiscal year ended June 30, 2015, the City's share of debt service was \$31,849 (\$30,000 principal and \$1,849 interest). Future annual principal payments of \$30,000 to \$37,500 are due through June 30, 2018, and total \$97,500. The bonds bear interest at a variable rate.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM:

(A) CITY OF MARYVILLE:

General Information about the Pension Plan:

Plan description. Employees of Maryville are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34 – 37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34 – 37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by the benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 228 |
| Inactive employees entitled to but not yet receiving benefits | 299 |
| Active employees | <u>443</u> |
| | <u>970</u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary, Maryville makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Maryville were \$2,022,616 based on a rate of 11.26 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Maryville's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM:

(A) CITY OF MARYVILLE (Continued)

Net Pension Liability (Asset)

Maryville's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.0 percent |
| Salary increases | Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent |
| Investment rate of return | 7.5 percent, net of pension plan investment expenses, including inflation |
| Cost of living adjustment | 2.5 percent |

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Long-term Expected Real</u> | |
|---------------------------------------|--------------------------------|--------------------------|
| | <u>Rate of Return</u> | <u>Target Allocation</u> |
| U.S. equity | 6.46% | 33% |
| Developed market international equity | 6.26% | 17% |
| Emerging market international equity | 6.40% | 5% |
| Private equity and strategic lending | 4.61% | 8% |
| U.S. fixed income | 0.98% | 29% |
| Real estate | 4.73% | 7% |
| Short-term securities | 0.00% | 1% |
| | | <u>100%</u> |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based in a blending of the three factors described above.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(A) CITY OF MARYVILLE (Continued):

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Maryville will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) – (b) |
|---|--|--|--|
| Balance at June 30, 2013 | <u>\$ 67,154,861</u> | <u>\$ 59,057,006</u> | <u>\$ 8,097,855</u> |
| Changes for the year: | | | |
| Service cost | 1,482,036 | - | 1,482,036 |
| Interest | 5,049,813 | - | 5,049,813 |
| Differences between expected and actual experience | (895,947) | - | (895,947) |
| Contributions – employer | - | 1,995,417 | (1,995,417) |
| Contributions – employees | - | 864,855 | (864,855) |
| Net investment income | - | 9,803,924 | (9,803,924) |
| Benefit payments, including refunds of employee contributions | (2,612,140) | (2,612,140) | - |
| Administration expense | - | (17,836) | 17,836 |
| Net changes | <u>3,023,762</u> | <u>10,034,220</u> | <u>(7,010,458)</u> |
| Balance at June 30, 2014 | <u>\$ 70,178,623</u> | <u>\$ 69,091,226</u> | <u>\$ 1,087,397</u> |

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Maryville calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

| | 1% Discount (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|---|-----------------------|------------------------------------|-----------------------|
| Maryville's net pension liability (asset) | <u>\$ 11,125,118</u> | <u>\$ 1,087,397</u> | <u>\$ (7,226,431)</u> |

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2015, Maryville recognized pension expense of \$24,394.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(A) CITY OF MARYVILLE (Continued):

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Maryville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 746,622 |
| Net difference between projected and actual earnings on pension plan investments | - | 4,292,809 |
| Contributions subsequent to the measurement date of June 30, 2014 | <u>2,022,616</u> | <u>-</u> |
| Total | <u>\$ 2,022,616</u> | <u>\$ 5,039,431</u> |

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | |
|----------------------------|----------------|
| 2016 | \$ (1,222,527) |
| 2017 | (1,222,527) |
| 2018 | (1,222,527) |
| 2019 | (1,222,527) |
| 2020 | (149,323) |
| Thereafter | - |

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2015, Maryville reported a payable of \$229,587 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

(B) City of Maryville School System:

General Information about the Pension Plan

Plan Description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Maryville City Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(B) City of Maryville School System (Continued):

General Information about the Pension Plan (Continued)

The teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Maryville City Schools for the year ended June 30, 2015 to the Teacher Legacy Pension Plan were \$2,078,187 which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Asset. At June 30, 2014, the Maryville City Schools reported an asset of \$94,221 for its proportionate share of net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Maryville City Schools' proportion of the net pension liability was based on Maryville City Schools' employer contributions to the pension plan during the year ended June 30, 2014 relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014 measurement date, Maryville City Schools' proportion was 0.579839 percent. The proportion measured as of June 30, 2013 was 0.568225 percent.

Pension income. For the year ended June 30, 2015, Maryville City Schools recognized a pension income of \$53,573.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Maryville City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources on the top of the next page.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(B) City of Maryville School System (Continued):

General Information about the Pension Plan (Continued)

Deferred outflows of resources and deferred inflows of resources (Continued)

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 228,746 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 7,763,223 |
| Changes in proportion of Net Pension Liability (Asset) | 163,404 | - |
| LEAs contributions subsequent to the measurement date of June 30, 2014 | <u>2,078,186</u> | <u>-</u> |
| Total | <u>\$ 2,470,336</u> | <u>\$ 7,763,223</u> |

Maryville City Schools' employer contributions of \$2,078,186 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

| | |
|------------|----------------|
| 2016 | \$ (1,875,448) |
| 2017 | (1,875,447) |
| 2018 | (1,875,447) |
| 2019 | (1,875,447) |
| 2020 | 65,358 |
| Thereafter | 65,358 |

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.0 percent |
| Salary increases | Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent |
| Investment rate of return | 7.5 percent, net of pension plan investment expenses, including inflation |
| Cost of living adjustment | 2.5 percent |

Mortality rates are customized based on the June 30, 2012 actuarial experience study and include some adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(B) City of Maryville School System (Continued):

General Information about the Pension Plan (Continued)

Actuarial assumptions. (Continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> | <u>Target Allocation</u> |
|---------------------------------------|---|--------------------------|
| U.S. equity | 6.46% | 33% |
| Developed market international equity | 6.26% | 17% |
| Emerging market international equity | 6.40% | 5% |
| Private equity and strategic lending | 4.61% | 8% |
| U.S. fixed income | 0.98% | 29% |
| Real estate | 4.73% | 7% |
| Short-term securities | 0.00% | <u>1%</u> |
| | | <u>100%</u> |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based in a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents Maryville City Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Maryville City Schools' proportionate share of the net pension liability (asset) would be if we were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

| | <u>1% Decrease (6.5%)</u> | <u>Current Discount Rate (7.5%)</u> | <u>1% Increase (8.5%)</u> |
|--|-------------------------------|---|-------------------------------|
| Maryville City Schools' proportionate share of the net pension liability (asset) | <u>\$ 15,891,462</u> | <u>\$ (94,221)</u> | <u>\$ (13,328,634)</u> |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(B) City of Maryville School System (Continued):

General Information about the Pension Plan (Continued)

Payable to the Pension Plan

At June 30, 2015, Maryville City Schools' reported a payable of \$271,603 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

(7) City of Maryville School System

General Information about the Pension Plan

Plan description. Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Maryville City Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014 are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the Teacher Retirement Plan were \$8,385, which is 4 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(C) City of Maryville School System (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1 2014 inception of the Teacher Retirement Plan, there is not a net pension liability to report at June 30, 2015.

Pension expense. Since the measurement date is June 30, 2014, Maryville City Schools' did not recognize a pension expense at June 30, 2015.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Maryville City Schools' reported deferred outflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Maryville City Schools' contribution subsequent to the measurement date of June 30, 2014 | \$ 8,385 | \$ - |

Maryville City Schools' employer contributions of \$8,385 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension asset in the year ended June 30, 2016.

Payable to the Pension Plan

At June 30, 2015 Maryville City Schools' reported a payable of \$1,917 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

(D) CITY OF MARYVILLE UTILITIES RETIREMENT PROGRAM:

The City of Maryville Utilities Retirement Program is a defined contribution plan established under the authority of the Maryville City Council using a money purchase feature. Thus, each employee's accumulated benefits at any point in time are equal to the sum of (1) the "rollover" amount from a plan in effect prior to July 1, 1986, (2) employee and employer contributions, and (3) investment earnings. Because the plan is a defined contribution plan, no unfunded liabilities will exist. The plan is administered by Principal Financial Group. The Plan's provisions and contribution requirements may be amended by the Maryville City Council.

Persons are eligible to participate in the plan upon employment, as there are no age or service requirements. Employees contribute a minimum of three percent (3%) of gross pay, while the Utility contributes eight percent (8%) of gross pay. In addition, employees may elect to contribute an additional four percent (4%) of gross pay, thereby having a total of fifteen percent (15%) of gross pay being invested in the plan.

Employees hired subsequent to June 30, 1988, are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS), as fully described in (A) above.

In addition to the retirement plan effective July 1, 1986, for Principal Financial Group members, the Electric Department provides term life insurance in the amount of \$50,000 for each employee through Allianz Life Insurance Company. For all members of the TCRS, life insurance coverage is provided to covered employees. Each policy amount is based upon a member's annual salary, rounded to the nearest \$1,000, with a minimum coverage of \$30,000 and a maximum coverage of \$50,000.

Total pension expense in 2015 was \$179,832 for employees hired after June 30, 1988. Pension expense for those hired before that date is more fully disclosed in (A) above.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued):

(E) DEFERRED COMPENSATION PLAN:

Employees of the City of Maryville may participate in a deferred compensation plan adopted under the provisions of *Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect To Service For State and Local Governments)*.

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the International City/County Management Association (ICMA) and established by Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated. Prior to July 1, 1997, under the terms of an *IRC Section 457* deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the ICMA, until paid or made available to the employees or beneficiaries, were the property of the City subject only to the claims of the City's general creditors. During the fiscal year ended June 30, 1998, as required by the *Internal Revenue Code Section 457(g)*, the assets of the plan were placed in a trust. Therefore, the assets are not available to the general creditors of the City. As a result, the City does not account for these assets in an agency fund.

(F) DEFINED CONTRIBUTION PLAN:

Maryville City Schools contributes to the Higher Education and Teacher Hybrid Plan, a defined contribution pension plan under section 401(k) of the Internal Revenue Code, for teachers with membership in the Tennessee Consolidated Retirement System after June 30, 2014. This plan is a component of the defined benefit plan reported in Part (C) of this Note. Benefit terms, including contribution requirements, for the Plan are established by Tennessee Code Annotated Title 8, Chapters 34-37 and may be amended by the Tennessee General Assembly. For each employee in the pension plan the Maryville City Schools is required to contribute 5% of annual salary to an individual employee account. Employees have a 2% contribution, with an opt-out feature. For the year ended June 30, 2015 the Maryville City Schools recognized pension expense of \$9,083. Employees are immediately vested on all contributions and earnings on those contributions.

The Maryville City Schools reported a payable of \$931 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:

(A) CITY RETIREES:

Plan Description:

The City maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire with twenty (20) or more years of service. The Plan provides coverage for up to ten (10) years and terminates when the employee reaches age sixty-five (65). The Plan is established under the authority of the City of Maryville City Council and may be amended at any time. The Plan does not issue a stand-alone financial report. Effective July 1, 2014, the plan was amended to provide coverage for up to five (5) years and terminate when the employee reaches age sixty-five (65).

Funding Policy:

The Plan is funded both by the retiree and the City. The retiree has a required annual contribution rate of \$2,472. The rate for eligible dependent coverage is the same. The remaining costs are incurred by the City and are funded by the various funds on a pay-as-you-go basis.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

(B) CITY RETIREES (Continued):

Annual OPEB Cost and Net OPEB Obligation:

| | |
|--|---------------------|
| Annual Required Contribution | \$ 488,829 |
| Interest on Net OPEB Obligation | 108,498 |
| Adjustments on Annual Required Contributions | <u>(88,982)</u> |
| Annual OPEB Costs | 508,345 |
| Annual Employer Contribution | <u>(225,885)</u> |
| Increase in Net OPEB Obligations | 282,460 |
| Net OPEB Obligation, July 1, 2014 | <u>2,411,059</u> |
| Net OPEB Obligation, June 30, 2015 | <u>\$ 2,693,519</u> |

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB Obligation are as follows:

| <u>Fiscal Year Ending</u> | <u>Annual OPEB Costs</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation At End of Year</u> |
|-------------------------------|------------------------------|---|---|
| June 30, 2015 | \$ 508,345 | 44.4% | \$ 2,693,519 |
| June 30, 2014 | 492,177 | 46.9% | 2,411,059 |
| June 30, 2013 | 467,789 | 45.8% | 2,149,825 |

Funding Status and Funding Progress:

The funded status of the plan as of June 30, 2015 was as follows:

| | |
|---|-----------------|
| Actuarial valuation date | January 1, 2015 |
| Actuarial accrued liability (AAL) | \$ 6,195,414 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 6,195,414 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll | 15,864,103 |
| UAAL as a % of Covered payroll | 39.0% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions:

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return, projected salary increase of 4.75% and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after eight years. Both rates include a 3% inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on a closed basis over a 30-year period beginning with June 30, 2009.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

(B) SCHOOL RETIREES:

The City maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire after 1999 at age sixty (60) with ten (10) years of service or retire before age sixty (60) with thirty (30) years of Tennessee Consolidated Retirement System service. The plan provides health coverage up to age sixty-five (65). There are some employees who retired prior to 1990 who were eligible to retire with TCRS who are provided coverage through death. The plan was created under the authority of the Maryville Board of Education and may be modified by the Board at any time with 180 days notice.

Funding Policy:

The plan is funded by both the retiree and school system. The retiree has a required contribution rate based on the following table:

| | Participants Age | |
|---------|---------------------|--------------------|
| | <u>Under Age 65</u> | <u>Over Age 65</u> |
| Retiree | \$ 8,475 | \$ 5,205 |
| Spouse | 4,238 | 604 |

The remaining costs are funded by the school system on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation:

| | |
|--|---------------------|
| Annual Required Contribution | \$ 1,334,147 |
| Interest on Net OPEB Obligation | 98,223 |
| Adjustments on Annual Required Contributions | <u>(80,473)</u> |
| Annual OPEB Costs | 1,351,897 |
| Annual Employer Contribution | <u>(742,788)</u> |
| Increase in Net OPEB Obligations | 609,109 |
| Net OPEB Obligation, July 1, 2014 | <u>2,182,723</u> |
| Net OPEB Obligation, June 30, 2015 | <u>\$ 2,791,832</u> |

Funding Policy:

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB Obligation are as follows:

| <u>Fiscal Year Ending</u> | <u>Annual OPEB Costs</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation At End of Year</u> |
|---------------------------|--------------------------|---|---|
| June 30, 2015 | \$ 1,334,147 | 54.9% | \$ 2,791,832 |
| June 30, 2014 | 1,266,203 | 57.3% | 2,182,723 |
| June 30, 2013 | 1,189,129 | 56.0% | 1,642,161 |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued):

(C) SCHOOL RETIREES (Continued):

Funding Status and Funding Progress:

The funded status of the plan as of June 30, 2015 was as follows:

| | |
|---|-----------------|
| Actuarial valuation date | January 1, 2015 |
| Actuarial accrued liability (AAL) | \$ 13,388,221 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 13,388,221 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll | 26,150,005 |
| UAAL as a % of Covered payroll | 51.2% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the possibility of events far into the future, and actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Methods and Assumptions:

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return, projected salary increase of 4.5%, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after six years. Both rates include a 3% inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on a closed basis over a 30-year period beginning with June 30, 2009.

NOTE 10 - CONTRACTS WITH THE TENNESSEE VALLEY AUTHORITY (TVA):

The City of Maryville Utilities Electric Department (Utility) has a power contract with TVA whereby the Utility purchases all its electric power from TVA and is subject to restrictions and conditions. The restrictions include prohibitions against diverting Utility assets to other operations of the municipality, securing indebtedness of other operations, or paying more than the Utility's equitable share of tax equivalents.

The Utility participated in TVA's Home Energy Conservation Program prior to July 1, 1989. Under this program, TVA advanced the funds from which the Utility made disbursements for approved customer home insulation and heat pumps. Since October, 1989, the Utility has participated in the Residential Energy Services Program through which TVA advances funds from which the Utility makes interest-bearing loans for approved customer heat pumps. In the event of customer default, the Utility does not have loss exposure.

NOTE 11 - SELF-INSURANCE:

(A) WORKMEN'S COMPENSATION:

Effective September 1, 1979, the City of Maryville, Tennessee, was issued a Certificate of Compliance with the Tennessee Workmen's Compensation Law to operate under the Act as a self-insured employer. The Certificate was issued by the State of Tennessee Department of Labor - Division of Workmen's Compensation.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11 - SELF-INSURANCE (Continued):

(A) WORKMEN'S COMPENSATION (Continued):

The amounts transferred to the Self-Insured Workmen's Compensation Internal Service Fund are determined by reference to standard Workmen's Compensation rate structures used by insurance companies.

The self-insurance plan is augmented by coverage with the Tennessee Municipal League (TML) Risk Management Pool, whereby coverage is extended for claims over \$300,000 per occurrence and \$300,000 aggregate. Thus, the City was subject to a maximum liability of \$300,000 for workmen's compensation claims during the fiscal year ended June 30, 2015.

(B) EMPLOYEE'S BENEFITS - MEDICAL PLAN:

The City of Maryville, Tennessee, previously entered into a self-insured program for employee medical benefits. The City of Maryville Utilities (Enterprise Funds) and the City of Maryville Board of Education share with the City of Maryville, Tennessee, jointly in the claims filed by their employees, and the rate of the premiums paid into the fund is based on prior experience and insurance company recommendations.

The self-insurance plan is augmented by coverage with Sun Life of Canada, whereby coverage is extended for claims exceeding \$125,000 per employee. Thus, the City was subject to a maximum liability of \$102,125,000 (817 employees at \$125,000 each) for health insurance claims during the fiscal year ended June 30, 2015.

(C) CLAIMS LIABILITIES:

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The self-insurance funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two (2) fiscal years for each fund are shown in Table 13 below:

The City continues to carry commercial insurance for all other risks of loss, including coverage for buildings and personal property, general and personal injury liability, and automobile liability and physical damage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the prior three (3) fiscal years.

Table 13: Changes in Balance of Claims Liabilities

| <u>Fiscal Year</u> | <u>Liability - Beginning</u> | <u>Claims and Changes in Estimates</u> | <u>Fiscal Year Claim Payments</u> | <u>Liability - Ending</u> |
|---|----------------------------------|--|---|-------------------------------|
| Employee Medical Self-Insurance/ Dental Insurance | | | | |
| 2012-2013 | \$ - | \$ 8,474,482 | \$ 8,474,482 | \$ - |
| 2013-2014 | - | 9,645,463 | 9,645,463 | - |
| 2014-2015 | - | 7,849,162 | 7,849,162 | - |
| Retiree Medical Self-Insurance | | | | |
| 2012-2013 | \$ - | \$ 1,010,160 | \$ 1,010,160 | \$ - |
| 2013-2014 | - | 787,465 | 787,465 | - |
| 2014-2015 | - | 924,571 | 924,571 | - |
| Workmen's Compensation Self-Insurance | | | | |
| 2012-2013 | \$ - | \$ 192,891 | \$ 192,891 | \$ - |
| 2013-2014 | - | 276,647 | 276,647 | - |
| 2014-2015 | - | 138,853 | 138,853 | - |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 12 – CONSTRUCTION CONTRACTS:

As of June 30, 2015, the City of Maryville, Tennessee had the following commitments with respect to unfinished construction-in-progress:

Table 14: Summary of Construction Contracts in Progress

| <u>Project Name</u> | <u>Total Contract or Estimated Amount</u> | <u>Costs Incurred Through June 30, 2015</u> | <u>Estimated Cost to Complete</u> |
|---|---|---|---|
| Secure Entry Addition – School Facilities | <u>\$ 458,000</u> | <u>\$ 182,640</u> | <u>\$ 275,360</u> |

NOTE 13 - JOINT VENTURES:

In order to pool resources and share the costs, risks and rewards of providing services for the benefit of the general public, the City of Maryville, Tennessee participates (has an on-going financial interest and financial responsibility) in the following joint ventures.

(A) BLOUNT COUNTY PUBLIC LIBRARY

The Blount County Public Library is funded jointly by the City of Maryville, Blount County, and City of Alcoa, Tennessee, pursuant to an agreement entered into on the effective date January 1, 1969, and continuing until any party shall furnish a six (6) month written notice to terminate its participation.

For the fiscal year ended June 30, 2015, the City of Maryville contributed \$719,616 to the Library.

Summary financial information, as required by generally accepted accounting principles, for the fiscal year ended June 30, 2015, is presented as follows:

Table 15: Blount County Public Library (Summary)

| | |
|---|--------------------------|
| Revenues | \$ 1,105,881 |
| Other Sources – Operating transfers | 899,520 |
| Expenditures | <u>(2,387,106)</u> |
| Excess of Revenues and Other Sources Over Expenditures | (381,705) |
| Fund Balance – July 1, 2014 | <u>1,211,453</u> |
| Fund Balance – June 30, 2015 | <u>\$ 829,748</u> |
| Total Assets | <u>\$ 865,407</u> |
| Total Liabilities | <u>\$ 35,659</u> |
| Fund Balance | <u>\$ 829,748</u> |

The Blount County Public Library is reported as a component unit of Blount County, Tennessee. That report may be obtained by writing to Blount County, Tennessee, 341 Court Street, Maryville, TN 37801.

(B) BLOUNT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

Pursuant to an agreement dated August 28, 1984, between the City of Maryville, Blount County, and the City of Alcoa, Tennessee, a Communications Center was established for the purpose of handling emergency calls for the three (3) governmental entities. Effective July 1, 1999, the Blount County Communications Center was combined with the Blount County Emergency Communications District, a component unit of Blount County, Tennessee. The three (3) governmental entities participate in the funding of the District while exercising no direct control over the District.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13 - JOINT VENTURES:

(B) BLOUNT COUNTY EMERGENCY COMMUNICATIONS DISTRICT (Continued)

The Blount County Emergency Communications District is governed by nine (9) directors appointed by the Blount County Board of County Commissioners. Before the issuance of most debt instruments, the District must obtain the approval of the Blount County Board of County Commissioners. The District's Board employs coordinators and staff to conduct the daily business of the organization.

For the fiscal year ended June 30, 2015, the City of Maryville, Tennessee contributed \$151,064 to the Blount County Emergency Communications District.

Summary financial information, as required by generally accepted accounting principles, for the fiscal year ended June 30, 2015, is presented below:

Table 16: Emergency Communications District (Summary)

| | |
|--------------------------------|---------------------|
| Operating Revenues | \$ 1,320,225 |
| Operating Expenses | <u>1,828,143</u> |
| Operating Income (Loss) | (507,918) |
| Non-Operating Revenues | <u>657,002</u> |
| Net Income | 149,084 |
| Net Position – July 1, 2014 | <u>2,922,746</u> |
| Net Position – June 30, 2015 | <u>\$ 3,071,830</u> |
| Total Assets | \$ 5,003,209 |
| Deferred Outflows of Resources | \$ 109,330 |
| Total Liabilities | \$ 1,737,890 |
| Deferred Inflows of Resources | \$ 302,819 |
| Net Position | <u>\$ 3,071,830</u> |

The Blount County Emergency Communications District issues a publicly available financial report. A report may be obtained by writing to the Blount County Communications District, P. O. Box 4609, Maryville, TN 37802.

(C) RECREATION AND PARKS COMMISSION

The City of Maryville, Blount County, and the City of Alcoa, Tennessee, jointly participate in the Recreation and Parks Commission (County-Wide) by funding percentages of the operational budget of the Commission. Each governmental entity appoints several persons to serve as commissioners on the Recreation and Parks Commission. The following factors suggest that the Recreation and Parks Commission should not be included in the reporting entity:

- (1) The governing board is solely responsible for operational activities of the Commission.
- (2) The City is neither entitled to operating surpluses nor responsible for operating deficits of the Commission.
- (3) The City's participation is limited to allocated funding as derived by the Commission's operating budget.
- (4) The facilities operated by the Recreation and Parks Commission are open to the public-at-large and not exclusively for enjoyment of residents of the City of Maryville, Tennessee.

For the fiscal year ended June 30, 2015, the City of Maryville, Tennessee contributed \$705,960 to the Recreation and Parks Commission to fund operations.

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2014, (the most recent information available) is presented at top of next page:

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13 - JOINT VENTURES (Continued):

(C) RECREATION AND PARKS COMMISSION (Continued)

Table 17: Recreation And Parks (Summary)

| | |
|--------------------------------------|----------------------------|
| Revenues | \$ 2,702,279 |
| Expenditures | <u>2,659,362</u> |
| Excess of Revenues Over Expenditures | 42,917 |
| Net position – July 1, 2013 | <u>1,275,496</u> |
| Net position – June 30, 2014 | <u>\$ 1,318,413</u> |
| Total Assets | <u>\$ 1,579,508</u> |
| Total Liabilities | <u>\$ 261,095</u> |
| Net Position | <u>\$ 1,318,413</u> |

No joint venture debt was reported on the financial statements of the Recreation and Parks Commission as of June 30, 2015. However, Blount County, Tennessee has issued \$1,325,000, in variable-rate bonds on behalf of the Commission's new Senior Citizen Center. The City of Maryville is responsible for thirty percent (30%) of the debt service on those bonds, as described in Note 7.

Capital Assets of the Recreation and Parks Commission (\$345,434 (net) at June 30, 2014) are included in the Total Assets shown above.

The Recreation and Parks Commission issues a publicly available financial report. A copy may be obtained by writing to Recreation and Parks Commission, 316 Everett High Road, Maryville, TN 37804.

(D) BLOUNT COUNTY CABLE TELEVISION AUTHORITY

The City of Maryville, Blount County, and the City of Alcoa, Tennessee jointly regulate the operation of cable television through the Blount County Cable Television Authority. The Authority is composed of nine (9) appointed members. The Authority funds its budget through the collection of cable television franchise fees from companies under its jurisdiction. After payment of the Authority's expenses, the residual of those collections is remitted to the County and the two Cities based on point of collection.

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2015, is presented in Table 18.

No joint venture debt was reported on the financial statements of the Authority as of June 30, 2015.

Table 18: Cable Television Authority (Summary)

| | |
|---|-------------------------|
| Revenues | \$ 1,002,295 |
| Expenditures | <u>26,521</u> |
| Excess of Revenues Over Expenditures Before Franchise Fee Distributions | 975,774 |
| Franchise Fee Distributions to County and Cities | <u>975,757</u> |
| Excess (Deficiency) of Revenues Over Expenditures and Franchise Fee Distributions | 17 |
| Net Position - July 1, 2014 | <u>18,442</u> |
| Net Position - June 30, 2015 | <u>\$ 18,459</u> |
| Total Assets | <u>\$ 253,990</u> |
| Total Liabilities | <u>\$ 235,531</u> |
| Net Position | <u>\$ 18,459</u> |

The Blount County Cable Television Authority issues a publicly available financial report. A copy may be obtained by writing to Blount County Cable Television Authority, P. O. Box 4338, Maryville, TN 37802.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13 - JOINT VENTURES (Continued):

(E) INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF ALCOA AND MARYVILLE, TENNESSEE

The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee was organized pursuant to a resolution of the Blount County Quarterly Court in a special called session on September 30, 1969. A certificate of incorporation was received from the Secretary of State of the State of Tennessee dated October 1, 1969. The Industrial Development Board is governed by seven (7) directors. The purpose of the Industrial Development Board is to promote industrial development, provide additional job opportunities in Blount County, Tennessee and surrounding areas, and to exercise the authority and pursue the objectives of an industrial development corporation as provided for in Title 7, Chapter 53, of the Tennessee Code Annotated.

For the fiscal year ended June 30, 2015, the City of Maryville contributed \$1,150,378 to the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee (inclusive of payments for the development and operation of three (3) industrial parks as more fully described in Note 14).

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2015, is presented below:

**Table 19: Industrial Development Board of Blount County
and the Cities of Alcoa and Maryville, Tennessee (Summary)**

| | |
|--------------------------------------|-----------------------------|
| Revenues | \$ 6,506,048 |
| Expenditures | <u>4,716,464</u> |
| Excess of Expenditures Over Revenues | 1,789,584 |
| Net Position – July 1, 2014 | <u>46,246,985</u> |
| Net Position – June 30, 2015 | <u>\$ 48,036,569</u> |
| Total Assets | <u>\$ 78,184,573</u> |
| Total Liabilities | <u>\$ 30,148,004</u> |
| Net Position | <u>\$ 48,036,569</u> |

The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee issues a publicly available report. A copy may be obtained by writing to Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, 201 S. Washington Street, Maryville, Tennessee 37804.

NOTE 14 – JOINT DEVELOPMENT OF INDUSTRIAL PARKS:

(A) PARTNERSHIP PARK NORTH – PARTNERSHIP PARK SOUTH

Pursuant to an Intergovernmental Cooperation Agreement dated December 16, 1997, by and among the City of Maryville, Tennessee, the City of Alcoa, Tennessee, Blount County, Tennessee, and the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, the two (2) cities and Blount County agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as two (2) industrial parks. Such financial assistance is to be provided as follows: Blount County – forty percent (40%); City of Maryville – thirty percent (30%); and City of Alcoa – thirty percent (30%).

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the two (2) industrial parks – the Partnership Park South (Herron property) and the Partnership Park North (Burkhart property). Such overall control shall include the right to approve all sales of property in the

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 14 – JOINT DEVELOPMENT OF INDUSTRIAL PARKS (Continued):

(A) PARTNERSHIP PARK NORTH – PARTNERSHIP PARK SOUTH (Continued)

Industrial Parks; approve all budgets related to the operation of the Industrial Parks; approve all capital improvements to the Industrial Parks; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Parks.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, and Blount County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Parks together with other receipts in connection with the operation, development, and maintenance of the Industrial Parks. Also, amounts equivalent to the property taxes received with respect to any property within either of the Industrial Parks is to be contributed to the Industrial Board.

(B) THE PELLISSIPPI RESEARCH CENTRE ON THE OAK RIDGE CORRIDOR

Pursuant to an Intergovernmental Cooperation Agreement dated May 2006 by and among the City of Maryville, Tennessee; the City of Alcoa, Tennessee; Blount County, Tennessee; Knox County, Tennessee; and the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, the two (2) cities and two (2) counties agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as a research and development industrial park. Such financial assistance is to be provided as follows: Blount County – twenty-five percent (25%); Knox County – twenty-five percent (25%); City of Maryville – twenty-five percent (25%); and City of Alcoa – twenty-five percent (25%).

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the industrial park. Such overall control shall include the right to approve all sales of property in the Industrial Park; approve all budgets related to the operation of the Industrial Park; approve all capital improvements to the Industrial Park; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Park.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, Blount County and Knox County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Park together with other receipts in connection with the operation, development, and maintenance of the Industrial Park. Also, amounts equivalent to the property taxes received with respect to any property within the Industrial Park is to be contributed to the Industrial Board if needed for operation. Otherwise, the property taxes are remitted to the two (2) cities and two (2) counties based upon the above percentages.

NOTE 15 - FUND BALANCE:

At June 30, 2015, fund balance is classified as follows:

| | Table 20: Fund Balance Summary | | | | | |
|--------------------------|---------------------------------------|------------------------------------|--------------------------|------------------------------------|---------------|--|
| | Major Governmental Funds | | | | | |
| | General Fund | General Purpose School Fund | Debt Service Fund | Nonmajor Governmental Funds | Totals | |
| Nonspendable - Inventory | \$ - | \$ - | \$ - | \$ 49,596 | \$ 49,596 | |
| Restricted To: | | | | | | |
| School construction | - | - | - | 578,885 | 578,885 | |
| Streets and roads | - | - | - | 1,276,088 | 1,276,088 | |
| Special projects | - | - | - | 73,930 | 73,930 | |
| Grant projects | - | - | - | 54,184 | 54,184 | |
| Geographic information | - | - | - | 103,449 | 103,449 | |
| Committed To: | | | | | | |
| Education | - | - | - | 387,341 | 387,341 | |
| Drug enforcement | - | - | - | 236,252 | 236,252 | |
| Economic development | - | - | - | 198,048 | 198,048 | |
| Culture and recreation | - | - | - | 73,495 | 73,495 | |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 - FUND BALANCE (Continued):

At June 30, 2015, fund balance is classified as follows:

Table 20: Fund Balance Summary (Continued)
Major Governmental Funds

| | General Fund | General Purpose School Fund | Debt Service Fund | Nonmajor Governmental Funds | Totals |
|---------------------------|----------------------------|--|----------------------------------|--|----------------------------|
| Assigned To: | | | | | |
| Balance 2016 Budget | 896,783 | - | - | - | 896,783 |
| Capital Projects | - | - | - | 403,641 | 403,641 |
| Education | - | 7,940,341 | - | 388,965 | 8,329,306 |
| Debt | - | - | 8,025,226 | - | 8,025,226 |
| Drug enforcement | - | - | - | 11,794 | 11,794 |
| Economic development | - | - | - | 28,365 | 28,365 |
| Geographic information | - | - | - | 73,813 | 73,813 |
| Central traffic operation | - | - | - | 1,862 | 1,862 |
| Grant projects | - | - | - | 536,260 | 536,260 |
| Equipment replacement | - | - | - | 308,743 | 308,743 |
| Unassigned | <u>7,820,364</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,820,364</u> |
| Totals | <u>\$ 8,717,147</u> | <u>\$7,940,341</u> | <u>\$ 8,025,226</u> | <u>\$ 4,784,711</u> | <u>\$29,467,425</u> |

NOTE 16 – RISK FINANCING ACTIVITIES:

It is the policy of the City of Maryville to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and employee health and accident claims. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

The City maintains its funds with financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregate balance of their public funds accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must be equal to at least one hundred five percent (105%) of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public funds accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in aggregate rather than against each individual account. Under this assessment agreement, public funds accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

NOTE 17 - PENDING LITIGATION:

The City of Maryville, Tennessee is involved in various litigations arising in the ordinary course of its operations. The City is vigorously defending each of the suits. The outcome of these suits is not presently determinable. However, management believes that if any suit results an unfavorable outcome that its insurance coverage is sufficient to cover any judgment.

Another suit styled Blount County Board of Education v. City of Maryville, Tennessee and City of Alcoa, Tennessee alleges underpayment to the Blount County Board of Education of liquor by the drink tax revenue that was retained by the City. Per Tennessee Code Annotated one-half of the revenue is to be earmarked for education. Blount County Board of Education alleges that they are entitled to a share of this revenue. It is the City's position that since they have a school system, the tax revenues received do not have to be shared with Blount County or the Blount County Board of Education. If the City is unsuccessful in its defense the liability could approximate \$400,000 to \$500,000. No provision for such liability is reflected in financial statements.

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 18- CAPITAL LEASE OBLIGATIONS:

(A) CIVIC ARTS CENTER

On May 2, 2006 the City Council adopted a resolution authorizing the execution of a lease agreement with respect to a Civic Arts Center to be constructed on the campus of Maryville College; approving the issuance of bonds by the Industrial Development Board of Blount County to finance such Civic Arts Center; consenting to the assignment of the City's obligation under the lease agreement; and such other matters with respect to the Civic Arts Center.

The City approved the Industrial Board's issuance of bonds, not to exceed \$33,685,000, for the construction of the Civic Arts Center. The lease obligates the City to pay annually an amount not to exceed 71.43% of the rental payments due, which rental payments shall be an amount equal to a percentage of the principal of and premium, if any, and interest on the Bonds approved under the resolution. The resolution also authorizes the City to levy and collect a direct annual tax sufficient, with any other funds available and pledged, to pay the rental payments due under the lease.

The Industrial Board entered into a fifty (50) year lease with Maryville College to lease the land on which the Civic Arts Center is to be constructed. At the end of the fifty year lease, the Civic Arts Center becomes the property of Maryville College.

Maryville College has committed a total of \$18,000,000 toward the debt service of the bonds. Any amounts paid will reduce the City of Maryville's obligation under the lease. If Maryville College fulfills its commitment, the City's Lease Obligation would be reduced by \$12,857,400.

Interest Rate Risk – Bonds in the amount of \$32,000,000 were issued by the IDB on December 14, 2006. The City's allocation of the 2006 Bonds were refunded on June 16, 2009, by 2009A Bonds issued in the amount of \$23,075,000. Similar to the 2006 Bonds, the 2009A Bonds bear interest at a variable rate. The 2012-2030 maturities of the 2009A Bonds were converted to fixed rate bonds – named 2009C Bonds – on November 15, 2011 with rates between 3% and 5%. As of June 30, 2015, the outstanding par amount of the fixed rate 2009C Bonds is \$12,760,000. The maturities of the variable rate 2009A Bonds due 2031-2036 remain outstanding for a total par amount of \$7,815,000.

As the variable rate 2009A Bonds bear interest at a variable rate, and the lease payments are an amount equal to the total debt service, including interest, the City has risk associated with changes in interest rates. A rate of 4.5% has been used to determine the obligations under the lease for the Series 2009A Bonds outstanding in the amount \$7,815,000. Pursuant to a Reimbursement Agreement dated March 1, 2009, and amended February 1, 2010; July 1, 2012; and March 14, 2014, Branch Banking and Trust Company ("BB&T"), a North Carolina banking corporation, has issued an irrevocable letter of credit for security of the 2009A Bonds. The expiration date of the letter of credit provided by BB&T is July 1, 2017.

The outstanding 2009C Bonds are converted to fixed rate and do not convey interest rate risk for the City.

(B) COMMUNICATIONS EQUIPMENT

On August 3, 2010, and subsequently modified on October 21, 2010, the City entered into an inter-governmental agreement with Blount County, Tennessee, and the City of Alcoa, Tennessee to acquire certain emergency communications equipment. Under the agreement, Blount County, Tennessee is the Lessee of the equipment. In turn the County subleased to the cities of Maryville and Alcoa their prorata share of the equipment. The terms of the agreement require the City to make lease payments of \$918,996 plus interest at 3.97%. Title to the equipment will transfer to each governmental entity based upon its share of the actual equipment acquired.

Changes in Capital lease obligations for the year ended June 30, 2015 is as follows:

| Capital Lease Obligation <u>7/1/2014</u> | New Leases <u>Acquired</u> | Payments on Lease <u>Obligations</u> | Capital Lease Obligation <u>6/30/2015</u> |
|--|-------------------------------|--|---|
| \$ 21,254,792 | \$ - | \$ 661,147 | \$ 20,593,645 |

(Continued)

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 18- CAPITAL LEASE OBLIGATIONS (Continued):

The following presents a summary of the Capital Lease Commitments as of June 30, 2015:

| <u>Present Value Of Minimum Lease Payments</u> | <u>Interest</u> | <u>Total Minimum Lease Payments</u> |
|--|-----------------|---|
| \$ 20,593,645 | \$ 11,063,810 | \$ 31,657,455 |

These total minimum lease payments are payable as follows:

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|------------------------------------|----------------------|
| 2016 | \$ 1,527,658 |
| 2017 | 1,544,808 |
| 2018 | 1,545,908 |
| 2019 | 1,557,412 |
| 2020 | <u>1,571,704</u> |
| Subtotal | <u>7,747,491</u> |
| 2021 – 2025 | 7,540,489 |
| 2026 – 2030 | 7,279,850 |
| 2031 – 2035 | 7,590,050 |
| 2036 | <u>1,499,575</u> |
| Subtotal | <u>23,909,964</u> |
| | <u>\$ 31,657,455</u> |

NOTE 19 – SUBSEQUENT EVENTS:

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 18, 2015, which is the date on which the financial statements were issued.

McCammon Avenue Intersection Improvements

On July 20, 2015, a Notice to Proceed with the Construction Phase for the McCammon Avenue Intersection Realignment with Bessemer Street Project was issued by the State of Tennessee Department of Transportation. The road project will replace an existing T intersection with a four-leg intersection, remove a 150 foot offset between two side streets, modify and update traffic signals, and replace an existing outdated drainage system. Total project budget is \$688,000, of which the City's share is \$176,000. Federal and state transportation funds have been awarded for the majority of project funding. Construction should be completed on or before April 30, 2016.

City Council Action Related to Long-Term Debt

On November 3, 2015, City Council adopted a resolution authorizing the issuance of up to \$3,550,000 in fixed rate Series 2016 General Obligation Refunding Bonds for the purpose of refinancing the remaining \$3,375,000 of variable rate Series E-8-A Bonds issued by the Blount County Public Building Authority. The Series 2016 Bonds are expected to be issued in the first quarter of calendar year 2016.

Also on November 3, 2015, City Council adopted a resolution authorizing the prepayment (defeasance) of the remaining variable rate Series 2009A Bonds issued by the Industrial Development Board of Blount County and the Cities of Maryville and Alcoa in the amount of \$7,815,000. A prepayment notice was issued on November 19, 2015, to the Trustee (Regions Bank), Letter of Credit Provider (BB&T), the Program Administrator and the Industrial Development Board. Appropriation of reserves of the City's Debt Service Fund for the purposes of the prepayment was adopted as part of the Fiscal Year 2016 Budget. The effective date for the prepayment of the Series 2009A Bonds is planned for January 6, 2016.

CITY OF MARYVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF CHANGES IN CITY OF MARYVILLE, TENNESSEE'S NET
PENSION LIABILITY (ASSET) AND RELATED RATIOS BASED ON
PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30

| | <u>2014</u> |
|--|----------------------|
| Total pension liability | |
| Service cost | \$ 1,482,036 |
| Interest | 5,049,813 |
| Changes in benefit terms | - |
| Differences between actual and expected experience | (895,947) |
| Change of assumptions | - |
| Benefit payments, including refunds of employee contributions | <u>(2,612,140)</u> |
| Net change in total pension liability | 3,023,762 |
| Total pension liability – beginning | <u>67,154,861</u> |
| Total pension liability – ending (a) | <u>\$ 70,178,623</u> |
| Plan fiduciary net position | |
| Contributions – employer | \$ 1,995,417 |
| Contributions – employee | 864,855 |
| Net investment income | 9,803,924 |
| Benefit payments, including refunds of employee contributions | (2,612,140) |
| Administrative expense | <u>(17,836)</u> |
| Net change in plan fiduciary net position | 10,034,220 |
| Plan fiduciary net position – beginning | <u>59,057,006</u> |
| Plan fiduciary net position – ending (b) | <u>\$ 69,091,226</u> |
| Net Pension Liability (asset) – ending (a) – (b) | <u>\$ 1,087,397</u> |
| Plan fiduciary net position as a percentage of total pension liability | 98.45% |
| Covered-employee payroll | \$ 17,291,306 |
| Net pension liability (asset) as a percentage of covered-employee payroll | 6.29% |

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF CITY OF MARYVILLE, TENNESSEE'S
CONTRIBUTIONS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30**

| | <u>2014</u> | <u>2015</u> |
|---|------------------|------------------|
| Actuarially determined contribution | \$ 1,995,417 | \$ 2,022,616 |
| Contributions in relation to the actuarially determined contribution | <u>1,995,417</u> | <u>2,022,616</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 17,291,306 | \$ 17,962,842 |
| Contributions as a percentage covered-employee payroll | 11.54% | 11.26% |

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PRESENTED ON PAGES 72 AND 73
For the Fiscal Year Ended June 30, 2015

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Frozen initial liability |
| Amortization method | Level dollar, closed (not to exceed 20 years) |
| Remaining amortization period | 6 years |
| Asset valuation | 10-year smoothed within a 20 percent corridor to market value |
| Inflation | 3.0 percent |
| Salary increases | Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent |
| Investment rate of return | 7.5 percent, net of investment expense, including inflation |
| Retirement age | Pattern of retirement determined by experience study |
| Mortality | Customized table based on actual experience including an adjustment for some anticipated improvement |
| Cost of living adjustments | 2.5 percent |

**CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS'
PROPORTIONATE SHARE OF THE NET PENSION ASSET
TEACHER LEGACY PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30**

| | <u>2014</u> |
|--|---------------|
| Maryville City Schools' proportion of the net pension asset | 0.579839% |
| Maryville City Schools' proportionate share of the net pension asset | \$ 94,211 |
| Maryville City Schools' covered-employee payroll | \$ 22,758,634 |
| Maryville City Schools' proportionate share of the net pension asset as a percentage of its covered-employee payroll | 0.41% |
| Plan fiduciary net position as a percentage of the total pension liability | 100.08% |

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS' CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
For the Fiscal Year Ended June 30

| | <u>2014</u> | <u>2015</u> |
|---|------------------|------------------|
| Actuarially Determined Contribution (ADC) | \$ 2,020,967 | \$ 2,078,187 |
| Contribution in relation to the actuarially determined contribution | <u>2,020,967</u> | <u>2,078,187</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Maryville City Schools' covered-employee payroll | \$ 22,758,634 | \$ 22,988,793 |
| Contributions as a percentage of Maryville City Schools' covered-employee payroll | 8.88% | 9.04% |

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS' CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
For the Fiscal Year Ended June 30

| | <u>2015</u> |
|---|-------------------|
| Actuarially Determined Contribution (ADC) | \$ 5,240 |
| Contribution in relation to the actuarially determined contribution | <u>8,385</u> |
| Contribution deficiency (excess) | <u>\$ (3,145)</u> |
| Maryville City Schools' covered-employee payroll | \$ 209,610 |
| Contributions as a percentage of Maryville City Schools' covered-employee payroll | 4% |

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FUNDING PROGRESS FOR
POST-EMPLOYMENT BENEFIT PLANS
(Dollar amounts in Thousands)
For the Fiscal Year Ended June 30, 2015

| Actuarial Valuation Date | Actuarial Value of Plan Assets a | Actuarial Accrued Liability (AAL) Entry Age b | Unfunded AAL (UAAL) b-a | Funded Ratio a/b | Actuarial Covered Payroll c | UAAL as a Percentage of Covered Payroll (b-a)/c |
|---|---|--|--|---------------------------------|--|--|
| City Retirees: | | | | | | |
| 6/30/15 | \$ - | \$ 6,195 | \$ 6,195 | 0% | \$ 15,864 | 39.0% |
| 6/30/14 | - | 6,145 | 6,145 | 0% | 15,344 | 40.0% |
| 6/30/13 | - | 5,902 | 5,902 | 0% | 14,649 | 40.3% |
| School Retirees: | | | | | | |
| 6/30/15 | \$ - | \$ 13,388 | \$ 13,388 | 0% | 26,150 | 51.2% |
| 6/30/14 | - | 12,493 | 12,493 | 0% | 26,382 | 47.4% |
| 6/30/13 | - | 11,969 | 11,969 | 0% | 25,246 | 47.4% |

See accompanying independent auditors' reports and notes.

CITY OF MARYVILLE, TENNESSEE
OTHER SUPPLEMENTARY INFORMATION
June 30, 2015

CITY OF MARYVILLE, TENNESSEE
COMBINING FUND FINANCIAL STATEMENTS
June 30, 2015

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Street Aid Fund – The State Street Aid Fund is used to account for the State gasoline tax. Proceeds of this tax must be expended for the improvement and maintenance of City streets.

Maryville City Schools Cafeteria Fund – The Maryville City Schools Cafeteria Fund is used to account for the operations of all cafeterias in the Maryville City School System. Revenues are provided primarily by the sale of meals (breakfasts, lunches, and a la carte items) and reimbursements from the United States Department of Agriculture (USDA).

Federal Projects Fund – The Federal Projects *Fund* is used to account for restricted federal revenues which must be expended on specific education programs.

Special Projects Fund – The Special Projects Fund is used to account for the revenues and expenditures associated with the Sanitation Santa Program and the City's downtown Christmas lighting and decorations.

Maryville City Schools Continuing Care Program Fund – The Maryville City Schools Continuing Care Program Fund is used to account for the revenues (primarily fees) and expenditures of the before- and after-school programs at the three (3) City of Maryville elementary schools.

Local Grant Fund – The Local Grant Fund is used to account for the proceeds of federal and state grants and the related expenditures therefrom.

Drug Fund – The Drug Fund is used to account for revenues (primarily drug related fines) which must be expended on drug-enforcement operations of the City.

Foothills Fall Festival Fund – The Foothills Fall Festival Fund is used to account for the revenues (primarily sponsorships and ticket sales) and expenditures of the City of Maryville Foothills Fall Festival.

Industrial Development Fund – The Industrial Development Fund is used to account for economic development activities of the City.

Geographic Information System (GIS) Fund – The Geographic Information System Fund is used to account for the revenues (primarily intergovernmental funding) and expenditures associated with the development and maintenance of a geographic information system.

Central Traffic Operations (CTO) Fund – The Central Traffic Operations Fund is used to account for the revenues (primarily intergovernmental funding) and expenditures associated with the management of the combined traffic signal systems for the Cities of Alcoa and Maryville.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

School Construction Fund – The School Construction Fund is used to account for the acquisition of real property used for school facilities, design of improvements to existing facilities and new facilities, and construction of these projects. Funding is provided by the City's share of proceeds from Blount County's bonds issued for school construction and transfers from other City funds.

Capital Projects Fund – The Capital Projects Fund was established during the fiscal year ended June 30, 2006 and is used to account for all of the city's major capital projects. Funding is provided by debt issues and transfers from the General Fund.

Equipment Replacement Fund – The Equipment Replacement Fund is used to account for expenditures incurred in the acquisition of general capital assets. The primary source of funding is transfers from the General Fund. Prior to July 1, 1997, the Equipment Replacement Fund was classified as a Special Revenue Fund.

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET
Non-major Governmental Funds
June 30, 2015

With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Special Revenue Funds</u> | | | | | |
|--|---------------------------------|---|-----------------------------|-----------------------------|---|--------------------------|
| | <u>State Street Aid</u> | <u>Maryville City Schools Cafeteria</u> | <u>Federal Projects</u> | <u>Special Projects</u> | <u>Maryville City Schools Continuing Care Program</u> | <u>Local Grant</u> |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ - | \$ 539,751 | \$ - | \$ - | \$ 581,878 | \$ - |
| Investments | - | - | - | - | - | - |
| Pooled Cash | - | - | - | 73,930 | - | - |
| Pooled Investments | 1,213,470 | - | - | - | - | 576,395 |
| Accounts receivable | - | 3,237 | - | - | 3,363 | - |
| Due from other governments | 64,592 | 60,397 | - | - | - | 64,109 |
| Inventories | - | 49,596 | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total Assets | <u>\$ 1,278,062</u> | <u>\$ 652,981</u> | <u>\$ -</u> | <u>\$ 73,930</u> | <u>\$ 585,241</u> | <u>\$ 640,504</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 1,974 | \$ - | \$ - | \$ - | \$ 96 | \$ 50,060 |
| Accrued payroll | - | - | - | - | - | - |
| Due to other funds | - | 214,420 | - | - | 197,804 | - |
| Total Liabilities | <u>1,974</u> | <u>214,420</u> | <u>-</u> | <u>-</u> | <u>197,900</u> | <u>50,060</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred revenue | - | - | - | - | - | - |
| Fund Balances: | | | | | | |
| Nonspendable | - | 49,596 | - | - | - | - |
| Restricted | 1,276,088 | - | - | 73,930 | - | 54,184 |
| Committed | - | - | - | - | 387,341 | - |
| Assigned | - | 388,965 | - | - | - | 536,260 |
| Total Fund Balances | <u>1,276,088</u> | <u>438,561</u> | <u>-</u> | <u>73,930</u> | <u>387,341</u> | <u>590,444</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,278,062</u> | <u>\$ 652,981</u> | <u>\$ -</u> | <u>\$ 73,930</u> | <u>\$ 585,241</u> | <u>\$ 640,504</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-major Governmental Funds
June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Special Revenue Funds</u> | | | | | Total Special Revenue Funds 2015 |
|--|------------------------------|--|-----------------------------------|--------------------------|-------------------------|---|
| | <u>Drug</u> | <u>Foothills Fall Festival</u> | <u>Industrial Development</u> | <u>GIS</u> | <u>CTO</u> | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,121,629 |
| Investments | - | - | - | - | - | - |
| Pooled Cash | - | - | - | 89,583 | - | 163,513 |
| Pooled Investments | 250,684 | 73,495 | 227,086 | - | - | 2,341,130 |
| Accounts receivable | - | - | 5,850 | 94,354 | 14,386 | 121,190 |
| Due from other governments | - | - | - | - | - | 189,098 |
| Inventories | - | - | - | - | - | 49,596 |
| Prepaid items | - | - | - | - | - | - |
| Total Assets | <u>\$ 250,684</u> | <u>\$ 73,495</u> | <u>\$ 232,936</u> | <u>\$ 183,937</u> | <u>\$ 14,386</u> | <u>\$ 3,986,156</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 2,638 | \$ - | \$ 6,523 | \$ 6,675 | \$ 4,266 | \$ 72,232 |
| Accrued payroll | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | 8,258 | 420,482 |
| Total Liabilities | <u>2,638</u> | <u>-</u> | <u>6,523</u> | <u>6,675</u> | <u>12,524</u> | <u>492,714</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred revenue | - | - | - | - | - | - |
| Fund Balances: | | | | | | |
| Nonspendable | - | - | - | - | - | 49,596 |
| Restricted | - | - | - | 103,449 | - | 1,507,651 |
| Committed | 236,252 | 73,495 | 198,048 | - | - | 895,136 |
| Assigned | 11,794 | - | 28,365 | 73,813 | 1,862 | 1,041,059 |
| Total Fund Balances | <u>248,046</u> | <u>73,495</u> | <u>226,413</u> | <u>177,262</u> | <u>1,862</u> | <u>3,493,442</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 250,684</u> | <u>\$ 73,495</u> | <u>\$ 232,936</u> | <u>\$ 183,937</u> | <u>\$ 14,386</u> | <u>\$ 3,986,156</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-major Governmental Funds
June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Capital Projects Funds</u> | | | <u>Total Capital Project Funds 2015</u> | <u>Total Non-major Governmental Funds 2015</u> | <u>Total Non-major Governmental Funds 2014</u> |
|--|--------------------------------|-----------------------------|----------------------------------|---|--|--|
| <u>ASSETS</u> | <u>School Construction</u> | <u>Capital Projects</u> | <u>Equipment Replacement</u> | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ 1,121,629 | \$ 565,330 |
| Investments | - | - | - | - | - | 1 |
| Pooled Cash | - | - | - | - | 163,513 | 123,503 |
| Pooled Investments | 764,232 | 442,293 | 310,185 | 1,516,710 | 3,857,840 | 3,643,214 |
| Accounts receivable | - | - | - | - | 121,190 | 9,483 |
| Due from other governments | - | - | - | - | 189,098 | 1,068,871 |
| Inventories | - | - | - | - | 49,596 | 55,853 |
| Prepaid items | - | - | - | - | - | 7,791 |
| Total Assets | <u>\$ 764,232</u> | <u>\$ 442,293</u> | <u>\$ 310,185</u> | <u>\$ 1,516,710</u> | <u>\$ 5,502,866</u> | <u>\$ 5,474,046</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 185,347 | \$ 38,652 | \$ 1,442 | \$ 225,441 | \$ 297,673 | \$ 271,830 |
| Accrued payroll | - | - | - | - | - | 2,622 |
| Due to other funds | - | - | - | - | 420,482 | 828,590 |
| Total Liabilities | <u>185,347</u> | <u>38,652</u> | <u>1,442</u> | <u>225,441</u> | <u>718,155</u> | <u>1,103,042</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred revenue | - | - | - | - | - | 10,382 |
| Fund Balances: | | | | | | |
| Nonspendable | - | - | - | - | 49,596 | 63,644 |
| Restricted | 578,885 | - | - | 578,885 | 2,086,536 | 2,240,767 |
| Committed | - | - | - | - | 895,136 | 906,264 |
| Assigned | - | 403,641 | 308,743 | 712,384 | 1,753,443 | 1,149,947 |
| Total Fund Balances | <u>578,885</u> | <u>403,641</u> | <u>308,743</u> | <u>1,291,269</u> | <u>4,784,711</u> | <u>4,360,622</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 764,232</u> | <u>\$ 442,293</u> | <u>\$ 310,185</u> | <u>\$ 1,516,710</u> | <u>\$ 5,502,866</u> | <u>\$ 5,474,046</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Special Revenue Funds | | | | | |
|------------------------------------|--|--|------------------------------------|------------------------------------|--|-------------------------------|
| | State Street <u>Aid</u> | Maryville City Schools <u>Cafeteria</u> | Federal <u>Projects</u> | Special <u>Projects</u> | Maryville City Schools Continuing Care <u>Program</u> | Local <u>Grant</u> |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental: | | | | | | |
| State taxes | 722,084 | - | - | - | - | - |
| Federal grants | - | 10,000 | 1,905,924 | - | - | 89,844 |
| State grants | - | - | - | - | - | 91,009 |
| U.S.D.A. revenue | - | 1,036,561 | - | - | - | - |
| Other | - | 21,900 | - | - | - | - |
| Charges for Services | - | 1,217,245 | - | - | 875,571 | - |
| Fines, forfeitures and court costs | - | - | - | - | - | - |
| Miscellaneous | - | 35,132 | - | 6,400 | - | - |
| Total Revenues | <u>722,084</u> | <u>2,320,838</u> | <u>1,905,924</u> | <u>6,400</u> | <u>875,571</u> | <u>180,853</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 74,780 |
| Public works | 595,986 | - | - | - | - | - |
| Culture and recreation | - | - | - | 3,191 | - | - |
| Economic Development | - | - | - | - | - | - |
| Education | - | 2,332,809 | 1,905,924 | - | 738,517 | - |
| Capital Outlay | - | - | - | - | - | 169,121 |
| Total Expenditures | <u>595,986</u> | <u>2,332,809</u> | <u>1,905,924</u> | <u>3,191</u> | <u>738,517</u> | <u>243,901</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Special Revenue Funds</u> | | | | | Total Special Revenue Funds 2015 |
|------------------------------------|------------------------------|--|-----------------------------------|----------------|----------------|---|
| | <u>Drug</u> | <u>Foothills Fall Festival</u> | <u>Industrial Development</u> | <u>GIS</u> | <u>CTO</u> | |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$ - | \$ 56,832 | \$ - | \$ - | \$ - | \$ 56,832 |
| Intergovernmental: | | | | | | |
| State taxes | - | - | - | - | - | 722,084 |
| Federal grants | - | - | - | - | - | 2,005,768 |
| State grants | - | - | - | - | - | 91,009 |
| U.S.D.A. revenue | - | - | - | - | - | 1,036,561 |
| Other | - | - | - | 248,989 | 39,109 | 309,998 |
| Charges for Services | 27,675 | 549,419 | 42,300 | 42,853 | - | 2,755,063 |
| Fines, forfeitures and court costs | 7,518 | - | - | - | - | 7,518 |
| Miscellaneous | <u>17,080</u> | <u>165,366</u> | <u>-</u> | <u>12,873</u> | <u>-</u> | <u>236,851</u> |
| Total Revenues | <u>52,273</u> | <u>771,617</u> | <u>42,300</u> | <u>304,715</u> | <u>39,109</u> | <u>7,221,684</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | 251,613 | 95,548 | 347,161 |
| Public safety | 29,723 | - | - | - | - | 104,503 |
| Public works | - | - | - | - | - | 595,986 |
| Culture and recreation | - | 934,326 | - | - | - | 937,517 |
| Economic Development | - | - | 8,954 | - | - | 8,954 |
| Education | - | - | - | - | - | 4,977,250 |
| Capital Outlay | <u>51,125</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,750</u> | <u>229,996</u> |
| Total Expenditures | <u>80,848</u> | <u>934,326</u> | <u>8,954</u> | <u>251,613</u> | <u>105,298</u> | <u>7,201,367</u> |

See accompanying independent auditors' report

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Special Revenue Funds | | | | | |
|------------------------------------|--|--|------------------------------------|------------------------------------|--|-------------------------------|
| | State Street <u>Aid</u> | Maryville City Schools <u>Cafeteria</u> | Federal <u>Projects</u> | Special <u>Projects</u> | Maryville City Schools Continuing Care <u>Program</u> | Local <u>Grant</u> |
| Net Change in Fund Balance Before | | | | | | |
| Other Financing Sources (Uses) | <u>126,098</u> | <u>(11,971)</u> | <u>-</u> | <u>3,209</u> | <u>137,054</u> | <u>(63,048)</u> |
| Other Financing Sources (Uses); | | | | | | |
| Transfers In: | | | | | | |
| General Fund | - | - | - | - | - | 278,480 |
| Special Revenue Funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing | | | | | | |
| Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>278,480</u> |
| Net Change in Fund Balance | 126,098 | (11,971) | - | 3,209 | 137,054 | 215,432 |
| Fund Balance, July 1 st | 1,149,990 | 456,789 | - | 70,721 | 250,287 | 375,012 |
| Change in Reserve for Inventory | <u>-</u> | <u>(6,257)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30th | <u>\$ 1,276,088</u> | <u>\$ 438,561</u> | <u>\$ -</u> | <u>\$ 73,930</u> | <u>\$ 387,341</u> | <u>\$ 590,444</u> |

See accompanying independent auditors' report

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Special Revenue Funds</u> | | | | | Total Special Revenue Funds 2015 |
|--|------------------------------|--|-----------------------------------|--------------------------|------------------------|---|
| | <u>Drug</u> | <u>Foothills Fall Festival</u> | <u>Industrial Development</u> | <u>GIS</u> | <u>CTO</u> | |
| Net Change in Fund Balances Before Other Financing Sources (Uses) | <u>(28,575)</u> | <u>(162,709)</u> | <u>33,346</u> | <u>53,102</u> | <u>(66,189)</u> | <u>20,317</u> |
| Other Financing Sources (Uses); Transfers In: | | | | | | |
| General Fund | - | - | - | 31,124 | 66,590 | 376,194 |
| Special Revenue Funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,124</u> | <u>66,590</u> | <u>376,194</u> |
| Net Change in Fund Balance | (28,575) | (162,709) | 33,346 | 84,226 | 401 | 396,511 |
| Fund Balance, July 1 st | 276,621 | 236,204 | 193,067 | 93,036 | 1,461 | 3,103,188 |
| Change in Reserve for Inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(6,257)</u> |
| Fund Balance, June 30th | <u>\$ 248,046</u> | <u>\$ 73,495</u> | <u>\$ 226,413</u> | <u>\$ 177,262</u> | <u>\$ 1,862</u> | <u>\$ 3,493,442</u> |

See accompanying independent auditors' report

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Capital Project Funds</u> | | | <u>Total Capital Projects Funds 2015</u> | <u>Total Non-major Governmental Funds 2015</u> | <u>Total Non-major Governmental Funds 2014</u> |
|------------------------------------|--------------------------------|-----------------------------|----------------------------------|--|--|--|
| | <u>School Construction</u> | <u>Capital Projects</u> | <u>Equipment Replacement</u> | | | |
| Revenues: | | | | | | |
| Licenses, permits and fees | \$ - | \$ - | \$ - | \$ - | \$ 56,832 | \$ 59,730 |
| Intergovernmental: | | | | | | |
| State taxes | - | - | - | - | 722,084 | 715,113 |
| Federal grants | - | - | - | - | 2,005,768 | 1,982,643 |
| State grants | - | - | - | - | 91,009 | 3,000 |
| U.S.D.A. revenues | - | - | - | - | 1,036,561 | 1,075,417 |
| Other | - | - | - | - | 309,998 | 282,223 |
| Charges for Services | - | - | - | - | 2,755,063 | 2,725,742 |
| Fines, forfeitures and court costs | - | - | - | - | 7,518 | 31,709 |
| Miscellaneous | <u>70,000</u> | <u>385,805</u> | <u>108,747</u> | <u>564,552</u> | <u>801,403</u> | <u>489,958</u> |
| Total Revenues | <u>70,000</u> | <u>385,805</u> | <u>108,747</u> | <u>564,552</u> | <u>7,786,236</u> | <u>7,365,535</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | 347,161 | 350,755 |
| Public safety | - | - | - | - | 104,503 | 136,408 |
| Public works | - | - | - | - | 595,986 | 566,475 |
| Culture and recreation | - | - | - | - | 937,517 | 789,447 |
| Economic Development | - | - | - | - | 8,954 | 10,463 |
| Education | - | - | - | - | 4,977,250 | 4,965,288 |
| Capital Outlay | <u>372,229</u> | <u>781,567</u> | <u>345,921</u> | <u>1,499,717</u> | <u>1,729,713</u> | <u>2,072,767</u> |
| Total Expenditures | <u>372,229</u> | <u>781,567</u> | <u>345,921</u> | <u>1,499,717</u> | <u>8,701,084</u> | <u>8,891,603</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Capital Project Funds</u> | | | Total Capital Project Funds <u>2015</u> | Total Non-major Governmental Funds <u>2015</u> | Total Non-major Governmental Funds <u>2014</u> |
|---|---------------------------------------|------------------------------------|---|--|---|---|
| | <u>School Construction</u> | <u>Capital Projects</u> | <u>Equipment Replacement</u> | | | |
| Net Change in Fund Balance Before Other Financing Sources (Uses) | <u>(302,229)</u> | <u>(395,762)</u> | <u>(237,174)</u> | <u>(935,165)</u> | <u>(914,848)</u> | <u>(1,526,068)</u> |
| Other Financing Sources (Uses); Transfers In: | | | | | | |
| General Fund | - | 510,000 | 459,000 | 969,000 | 1,345,194 | 534,330 |
| Special Revenue Funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>470,000</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>510,000</u> | <u>459,000</u> | <u>969,000</u> | <u>1,345,194</u> | <u>1,004,330</u> |
| Net Change in Fund Balance | (302,229) | 114,238 | 221,826 | 33,835 | 430,346 | (521,738) |
| Fund Balance, July 1 st | 881,114 | 289,403 | 86,917 | 1,257,434 | 4,360,622 | 4,892,159 |
| Change in Reserve for Inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(6,257)</u> | <u>(9,799)</u> |
| Fund Balance, June 30th | <u>\$ 578,885</u> | <u>\$ 403,641</u> | <u>\$ 308,743</u> | <u>\$ 1,291,269</u> | <u>\$ 4,784,711</u> | <u>\$ 4,360,622</u> |

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other governmental operating units on a cost-reimbursed basis.

Employee Medical Self-Insurance Funds – The Employee Medical Self-Insurance Funds are used to account for the City of Maryville’s self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in these self-insurance funds for the payment of medical claims and administrative expenses.

School Employee Dental Insurance Fund: The School Employee Dental Insurance Fund is used to account for the City of Maryville school employees’ dental insurance program. Premiums collected from employees and premiums charged to various operating funds are placed in this fund for the payment of dental claims and administrative expenses.

Retiree Medical Self-Insurance Funds – The Retiree Medical Self-Insurance Funds are used to account for the City of Maryville’s retiree self-insured health insurance program. Premiums charged to various operating funds and retiree payments are placed in these self-insurance funds for the payment of medical claims and administrative expenses for city retirees.

Self-Insured Workmen’s Compensation Fund – The Self-Insured Workmen’s Compensation Fund is used to account for the City’s self-insured worker’s compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Information Technology Systems Fund – The Information Technology Systems Fund is used to account for the operation of the City’s information technology system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund – The Fleet Maintenance Fund is used to account for the operation of the City’s vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund – The Facilities Management Fund is used to account for the operation of the City’s physical facilities. Charges collected from various City funds are placed in this fund for the payment of operating expenses associated with the City’s physical facilities.

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015
With Comparative Totals for June 30, 2014

| | City Employee Medical Self- Insurance <u>Fund</u> | Schools Employee Medical Self- Insurance <u>Fund</u> | School Employee Dental Insurance <u>Fund</u> | City Retiree Medical Self- Insurance <u>Fund</u> | School Retiree Medical Self- Insurance <u>Fund</u> | Self-Insured Workmen’s Compensation <u>Fund</u> | Information Technology Systems <u>Fund</u> | Fleet Maintenance <u>Fund</u> | Facilities Management <u>Fund</u> | <u>Total Internal Service Funds</u> <u>2015</u> <u>2014</u> | |
|---|--|---|--|---|---|--|---|-------------------------------------|---|--|------------------|
| ASSETS | | | | | | | | | | | |
| CURRENT ASSETS: | | | | | | | | | | | |
| Cash | \$ 169,793 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 169,793 | \$ - |
| Accounts receivable | 94,414 | 113,211 | - | - | 37,569 | - | - | - | - | 245,194 | 112,498 |
| Parts, supplies, and fuel inventories | - | - | - | - | - | - | 1,846 | 384,708 | - | 386,554 | 336,304 |
| Due from other funds | <u>991,960</u> | <u>588,143</u> | <u>82,035</u> | <u>167,075</u> | <u>377,535</u> | <u>300,322</u> | <u>199,096</u> | <u>-</u> | <u>476,105</u> | <u>3,182,271</u> | <u>2,965,856</u> |
| Total Current Assets | <u>1,256,167</u> | <u>701,354</u> | <u>82,035</u> | <u>167,075</u> | <u>415,104</u> | <u>300,322</u> | <u>200,942</u> | <u>384,708</u> | <u>476,105</u> | <u>3,983,812</u> | <u>3,414,658</u> |
| CAPITAL ASSETS: | | | | | | | | | | | |
| Building and improvements | - | - | - | - | - | - | - | 873,125 | - | 873,125 | 873,125 |
| Data processing equipment | - | - | - | - | - | - | 254,897 | - | - | 254,897 | 254,897 |
| Software | - | - | - | - | - | - | 269,785 | - | - | 269,785 | 269,785 |
| Fleet maintenance equipment and vehicles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>215,934</u> | <u>-</u> | <u>215,934</u> | <u>237,256</u> |
| | - | - | - | - | - | - | 524,682 | 1,089,059 | - | 1,613,741 | 1,635,063 |
| Less: Accumulated depreciation and amortization | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>496,440</u> | <u>765,933</u> | <u>-</u> | <u>1,262,373</u> | <u>1,177,028</u> |
| Net Capital Assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,242</u> | <u>323,126</u> | <u>-</u> | <u>351,368</u> | <u>458,035</u> |
| Total Assets | <u>1,256,167</u> | <u>701,354</u> | <u>82,035</u> | <u>167,075</u> | <u>415,104</u> | <u>300,322</u> | <u>229,184</u> | <u>707,834</u> | <u>476,105</u> | <u>4,335,180</u> | <u>3,872,693</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (Continued)
June 30, 2015
With Comparative Totals for June 30, 2014

| | City Employee Medical Self- Insurance <u>Fund</u> | Schools Employee Medical Self- Insurance <u>Fund</u> | School Employee Dental Insurance <u>Fund</u> | City Retiree Medical Self- Insurance <u>Fund</u> | School Retiree Medical Self- Insurance <u>Fund</u> | Self-Insured Workmen's Compensation <u>Fund</u> | Information Technology Systems <u>Fund</u> | Fleet Maintenance <u>Fund</u> | Facilities Management <u>Fund</u> | <u>Total Internal Service Funds</u> | |
|-------------------------------------|--|---|--|---|---|--|---|-------------------------------------|---|-------------------------------------|---------------------|
| | | | | | | | | | | <u>2015</u> | <u>2014</u> |
| LIABILITIES AND NET POSITION | | | | | | | | | | | |
| CURRENT LIABILITIES: | | | | | | | | | | | |
| Accounts payable | 5,364 | 48,015 | - | - | - | - | 4,751 | 10,846 | 97,448 | 166,424 | 81,197 |
| Cash overdraft | | - | - | - | - | - | - | - | - | - | 29,813 |
| Due to other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>610,546</u> | <u>-</u> | <u>610,546</u> | <u>607,622</u> |
| Total Current Liabilities | <u>5,364</u> | <u>48,015</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,751</u> | <u>621,392</u> | <u>97,448</u> | <u>776,970</u> | <u>718,632</u> |
| NET POSITION: | | | | | | | | | | | |
| Investment in capital assets | - | - | - | - | - | - | 28,242 | 323,126 | - | 351,368 | 458,035 |
| Unrestricted (Deficit) | <u>1,250,803</u> | <u>653,339</u> | <u>82,035</u> | <u>167,075</u> | <u>415,104</u> | <u>300,322</u> | <u>196,191</u> | <u>(236,684)</u> | <u>378,657</u> | <u>3,206,842</u> | <u>2,696,026</u> |
| Total Net Position | <u>\$ 1,250,803</u> | <u>\$ 653,339</u> | <u>\$ 82,035</u> | <u>\$ 167,075</u> | <u>\$ 415,104</u> | <u>\$ 300,322</u> | <u>\$ 224,433</u> | <u>\$ 86,442</u> | <u>\$ 378,657</u> | <u>\$ 3,558,210</u> | <u>\$ 3,154,061</u> |

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | City Employee Medical Self- Insurance <u>Fund</u> | Schools Employee Medical Self- Insurance <u>Fund</u> | School Employee Dental Insurance <u>Fund</u> | City Retiree Medical Self- Insurance <u>Fund</u> | School Retiree Medical Self- Insurance <u>Fund</u> | Self-Insured Workmen's Compensation <u>Fund</u> | Information Technology Systems <u>Fund</u> | Fleet Maintenance <u>Fund</u> | Facilities Management <u>Fund</u> | <u>Total Internal Service Funds</u> <u>2015</u> <u>2014</u> | |
|--|--|---|--|---|---|--|---|-------------------------------------|---|--|-------------------|
| OPERATING REVENUES: | | | | | | | | | | | |
| Insurance charges | \$ 3,646,995 | \$ 5,640,228 | \$ - | \$ 193,927 | \$ 926,619 | \$ 286,147 | \$ - | \$ - | \$ - | \$10,693,916 | \$10,590,156 |
| Facilities charges | - | - | - | - | - | - | - | - | 1,480,751 | 1,480,751 | 1,092,302 |
| Data processing charges | - | - | - | - | - | - | 756,726 | - | - | 756,726 | 673,612 |
| Equipment repair charges | - | - | - | - | - | - | - | 625,597 | - | 625,597 | 584,000 |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>100</u> | <u>-</u> | <u>100</u> | <u>2,044</u> |
| Total Operating Revenues | <u>3,646,995</u> | <u>5,640,228</u> | <u>-</u> | <u>193,927</u> | <u>926,619</u> | <u>286,147</u> | <u>756,726</u> | <u>625,697</u> | <u>1,480,751</u> | <u>13,557,090</u> | <u>12,942,114</u> |
| OPERATING EXPENSES: | | | | | | | | | | | |
| Salaries and related costs | - | - | - | - | - | - | 471,162 | 452,458 | 64,293 | 987,913 | 971,015 |
| Other services | - | - | - | - | - | - | 205,822 | 12,452 | 407,422 | 625,696 | 577,817 |
| Supplies and parts | - | - | - | - | - | - | 2,098 | 16,312 | 19,618 | 38,028 | 40,999 |
| Training | - | - | - | - | - | - | 9,789 | 204 | - | 9,993 | 40,555 |
| Inventory adjustments | - | - | - | - | - | - | - | 13,500 | - | 13,500 | 82,514 |
| Building and office rental | - | - | - | - | - | - | - | 64,177 | - | 64,177 | 48,542 |
| Insurance | - | - | - | - | - | - | 614 | 7,625 | 22,719 | 30,958 | 25,715 |
| Software licenses and minor equipment | - | - | - | - | - | - | 23,579 | - | - | 23,579 | 23,726 |
| Depreciation of capital assets | - | - | - | - | - | - | 59,160 | 34,595 | - | 93,755 | 111,173 |
| Utilities | - | - | - | - | - | - | - | - | 402,921 | 402,921 | 411,127 |
| Communications | - | - | - | - | - | - | 1,535 | - | 31,382 | 32,917 | 31,718 |
| Repair and maintenance | - | - | - | - | - | - | 1,111 | 11,782 | 70,008 | 82,901 | 71,587 |
| Amortization of intangible assets | - | - | - | - | - | - | 12,912 | - | - | 12,912 | 8,580 |
| Insurance claims premiums and administrative expenses | 3,772,569 | 5,360,108 | - | 227,768 | 774,842 | 228,652 | - | - | - | 10,363,939 | 10,709,575 |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,904</u> | <u>14,397</u> | <u>353,451</u> | <u>369,752</u> | <u>89,426</u> |
| Total Operating Expenses | <u>3,772,569</u> | <u>5,360,108</u> | <u>-</u> | <u>227,768</u> | <u>774,842</u> | <u>228,652</u> | <u>789,686</u> | <u>627,502</u> | <u>1,371,814</u> | <u>13,152,941</u> | <u>13,244,069</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | City Employee Medical Self- Insurance <u>Fund</u> | Schools Employee Medical Self- Insurance <u>Fund</u> | School Employee Dental Insurance <u>Fund</u> | City Retiree Medical Self- Insurance <u>Fund</u> | School Retiree Medical Self- Insurance <u>Fund</u> | Self-Insured Workmen's Compensation <u>Fund</u> | Information Technology Systems <u>Fund</u> | Fleet Maintenance <u>Fund</u> | Facilities Management <u>Fund</u> | <u>Total Internal Service Funds</u> <u>2015</u> <u>2014</u> | |
|-------------------------------------|--|---|--|---|---|--|---|-------------------------------------|---|--|---------------------|
| CHANGE IN NET POSITION | (125,574) | 280,120 | - | (33,841) | 151,777 | 57,495 | (32,960) | (1,805) | 108,937 | 404,149 | (301,955) |
| NET POSITION – July 1 st | <u>1,376,377</u> | <u>373,219</u> | <u>82,035</u> | <u>200,916</u> | <u>263,327</u> | <u>242,827</u> | <u>257,393</u> | <u>88,247</u> | <u>269,720</u> | <u>3,154,061</u> | <u>3,456,016</u> |
| NET POSITION – June 30th | <u>\$ 1,250,803</u> | <u>\$ 653,339</u> | <u>\$ 82,035</u> | <u>\$ 167,075</u> | <u>\$ 415,104</u> | <u>\$ 300,322</u> | <u>\$ 224,433</u> | <u>\$ 86,442</u> | <u>\$ 378,657</u> | <u>\$ 3,558,210</u> | <u>\$ 3,154,061</u> |

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | City Employee Medical Self- Insurance Fund | Schools Employee Medical Self- Insurance Fund | School Employee Dental Insurance Fund | City Retiree Medical Self- Insurance Fund | School Retiree Medical Self- Insurance Fund | Self-Insured Workmen's Compensation Fund | Information Technology Systems Fund | Fleet Maintenance Fund | Facilities Management Fund | <u>Total Internal Service Funds</u> | |
|--|---|--|---|--|--|---|--|------------------------------|----------------------------------|-------------------------------------|-----------------|
| | | | | | | | | | | <u>2015</u> | <u>2014</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | | | | | |
| Insurance premiums/reimbursements collected | \$ 599,900 | \$ 698,526 | \$ - | \$ 30,804 | \$ 116,494 | \$ - | \$ - | \$ - | \$ - | \$ 1,445,724 | \$ 1,579,688 |
| Collections from various City departments | 3,046,696 | 4,939,143 | - | 163,123 | 810,125 | 286,147 | 761,726 | 630,064 | 1,480,751 | 12,117,775 | 11,387,954 |
| Payments to other suppliers of goods and services | (3,873,638) | (5,346,807) | - | (227,768) | (812,411) | (228,652) | (395,835) | (304,754) | (1,277,783) | (12,467,648) | (12,374,823) |
| Payments to employees for services | - | - | - | - | - | - | (338,466) | (328,234) | (41,500) | (708,200) | (687,128) |
| Net Cash Provided By (Used In) Operating Activities | <u>(227,042)</u> | <u>290,862</u> | <u>-</u> | <u>(33,841)</u> | <u>114,208</u> | <u>57,495</u> | <u>27,425</u> | <u>(2,924)</u> | <u>161,468</u> | <u>387,651</u> | <u>(94,309)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | | | | | | | |
| Receipts from other funds | 396,835 | - | - | 33,841 | - | - | - | 2,924 | - | 433,600 | 131,534 |
| Payments to other funds | - | (290,862) | - | - | (114,208) | (57,495) | (27,425) | - | (161,468) | (651,458) | (93,706) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | <u>396,835</u> | <u>(290,862)</u> | <u>-</u> | <u>33,841</u> | <u>(114,208)</u> | <u>(57,495)</u> | <u>(27,425)</u> | <u>2,924</u> | <u>(161,468)</u> | <u>(217,858)</u> | <u>37,828</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | | | | |
| Acquisition of capital assets | - | - | - | - | - | - | - | - | - | - | (26,183) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 169,793 | - | - | - | - | - | - | - | - | 169,793 | (82,664) |
| CASH AND CASH EQUIVALENTS – July 1 st | - | - | - | - | - | - | - | - | - | - | 82,664 |
| CASH AND CASH EQUIVALENTS, June 30 th | <u>\$ 169,793</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 169,793</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | City Employee Medical Self- Insurance <u>Fund</u> | Schools Employee Medical Self- Insurance <u>Fund</u> | School Employee Dental Insurance <u>Fund</u> | City Retiree Medical Self- Insurance <u>Fund</u> | School Retiree Medical Self- Insurance <u>Fund</u> | Self-Insured Workmen's Compensation <u>Fund</u> | Information Technology Systems <u>Fund</u> | Fleet Maintenance <u>Fund</u> | Facilities Management <u>Fund</u> | <u>Total Internal Service Funds</u> | |
|--|--|---|--|---|---|--|---|-------------------------------------|---|-------------------------------------|---------------------------|
| | | | | | | | | | | <u>2015</u> | <u>2014</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | | | | | | | | |
| Operating income (loss) | \$ (125,574) | \$ 280,120 | - | \$ (33,841) | \$ 151,777 | \$ 57,495 | \$ (32,960) | \$ (1,805) | \$ 108,937 | \$ 404,149 | \$ (301,955) |
| Adjustments to reconcile operating Income (loss) to net cash provided by (used in) operating activities: | | | | | | | | | | | |
| Add non-cash expenses: | | | | | | | | | | | |
| Depreciation | - | - | - | - | - | - | 59,160 | 34,595 | - | 93,755 | 111,173 |
| Amortization | - | - | - | - | - | - | 12,912 | - | - | 12,912 | 8,580 |
| Changes in assets and liabilities: | | | | | | | | | | | |
| Due from other funds | - | - | - | - | - | - | - | 4,367 | - | 4,367 | 2,116 |
| Accounts receivable | (76,479) | (23,648) | - | - | (37,569) | - | 5,000 | - | - | (132,696) | (6,401) |
| Inventories | - | - | - | - | - | - | 13 | (50,263) | - | (50,250) | 61,640 |
| Accounts payable | 4,824 | 34,390 | - | - | - | - | (16,700) | 10,182 | 52,531 | 85,227 | 725 |
| Cash overdrafts | <u>(29,813)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(29,813)</u> | <u>29,813</u> |
| NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES | <u>\$ (227,042)</u> | <u>\$ 290,862</u> | <u>\$ -</u> | <u>\$ (33,841)</u> | <u>\$ 114,208</u> | <u>\$ 57,495</u> | <u>\$ 27,425</u> | <u>\$ (2,924)</u> | <u>\$ 161,468</u> | <u>\$ 387,651</u> | <u>\$ (94,309)</u> |

CITY OF MARYVILLE, TENNESSEE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES
COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
Budget Basis
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> | <u>Totals</u> |
|--------------------------------------|-----------------------------|-----------------------------|--|--|-----------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Basis)</u> | <u>(Negative)</u> | <u>2014</u> |
| Revenues: | | | | | |
| Taxes | \$ 45,122,394 | \$ 48,175,912 | \$ 49,019,402 | \$ 843,490 | \$ 44,893,872 |
| Licenses, permits and fees | 254,750 | 252,433 | 327,361 | 74,928 | 312,295 |
| Intergovernmental | 27,268,474 | 27,931,695 | 26,710,097 | (1,221,598) | 26,843,658 |
| Charges for services | 3,783,060 | 3,968,654 | 4,187,186 | 218,532 | 3,884,772 |
| Fines, forfeitures and costs | 79,200 | 62,595 | 60,113 | (2,482) | 104,753 |
| Investment income | 52,500 | 237,374 | 256,400 | 19,026 | 217,444 |
| Miscellaneous revenues | <u>1,718,750</u> | <u>1,888,944</u> | <u>1,618,598</u> | <u>(270,346)</u> | <u>1,555,077</u> |
| Total Revenues | <u>78,279,128</u> | <u>82,517,607</u> | <u>82,179,157</u> | <u>(338,449)</u> | <u>77,811,871</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 3,191,446 | 3,853,553 | 3,710,455 | 143,098 | 2,677,974 |
| Public safety | 9,183,773 | 8,867,681 | 8,589,873 | 277,808 | 8,278,238 |
| Public works | 6,909,391 | 7,018,074 | 6,292,611 | 725,463 | 6,171,951 |
| Culture and recreation | 2,199,476 | 2,374,665 | 2,363,093 | 11,572 | 2,186,943 |
| Economic Development | 9,172 | 9,172 | 8,954 | 218 | 10,463 |
| Nondepartmental costs | 1,309,014 | 1,297,610 | 1,292,612 | 4,998 | 1,018,871 |
| Education | 50,077,670 | 51,111,389 | 50,269,984 | 841,405 | 48,195,673 |
| Debt Service: | | | | | |
| Principal retirement | 3,138,104 | 3,138,104 | 3,138,099 | 5 | 3,073,104 |
| Interest and fiscal fees | 2,428,328 | 2,122,054 | 2,119,402 | 2,652 | 2,049,671 |
| Payments under Capital lease | 1,468,242 | 1,524,808 | 1,254,316 | 270,492 | 1,265,876 |
| Capital Outlay | <u>1,543,060</u> | <u>2,341,829</u> | <u>1,181,951</u> | <u>1,159,878</u> | <u>325,863</u> |
| Total Expenditures | <u>81,457,676</u> | <u>83,658,939</u> | <u>80,221,350</u> | <u>3,437,589</u> | <u>75,254,627</u> |
| Net Change in Fund Balance Before | | | | | |
| Other Financing Sources (Uses) | <u>(3,178,548)</u> | <u>(1,141,332)</u> | <u>1,957,807</u> | <u>3,099,139</u> | <u>2,557,244</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 15,659,520 | 16,066,834 | 15,996,008 | (70,826) | 15,894,167 |
| Transfers Out | (14,977,330) | (15,772,694) | (15,772,694) | - | (15,281,830) |
| Proceeds from refunding debt | - | 9,998,315 | 9,998,315 | - | - |
| Payments to refunding escrow agent | <u>-</u> | <u>(9,830,000)</u> | <u>(9,830,000)</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>682,190</u> | <u>462,455</u> | <u>391,629</u> | <u>(70,826)</u> | <u>612,337</u> |
| Net Change in Fund Balance | (2,496,358) | (678,877) | 2,349,436 | 3,028,313 | 3,169,581 |
| Change in Reserve for Inventory | - | - | (6,257) | (6,257) | (9,799) |
| Fund Balance, July 1 st | <u>25,836,197</u> | <u>25,836,197</u> | <u>25,836,197</u> | <u>-</u> | <u>22,676,415</u> |
| Fund Balance, June 30th | <u>\$ 23,339,839</u> | <u>\$ 25,157,320</u> | <u>\$ 28,179,376</u> | <u>\$ 3,022,056</u> | <u>\$ 25,836,197</u> |

See accompanying independent auditors' report.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt not being accounted for in the Enterprise Funds.

CITY OF MARYVILLE, TENNESSEE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> | <u>Totals</u> <u>2014</u> |
|---|----------------------------|----------------------------|--|---|------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Basis)</u> | | |
| Revenues: | | | | | |
| Maryville College | \$ 1,400,000 | \$ 1,400,000 | \$ 1,141,183 | \$ (258,817) | \$ 1,152,743 |
| Interest earned | <u>-</u> | <u>198,518</u> | <u>198,518</u> | <u>-</u> | <u>154,634</u> |
| Total Revenues | <u>1,400,000</u> | <u>1,598,518</u> | <u>1,339,701</u> | <u>(258,817)</u> | <u>1,307,377</u> |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Principal retirement | 3,138,104 | 3,138,104 | 3,138,099 | 5 | 3,073,104 |
| Interest and fiscal fees | 2,428,328 | 2,122,054 | 2,119,402 | 2,652 | 2,049,671 |
| Payments Under Capital Lease | <u>1,411,675</u> | <u>1,411,675</u> | <u>1,141,183</u> | <u>270,492</u> | <u>1,152,743</u> |
| Total Expenditures | <u>6,978,107</u> | <u>6,671,833</u> | <u>6,398,684</u> | <u>273,149</u> | <u>6,275,518</u> |
| Net Change in Fund Balance Before | | | | | |
| Other Financing Sources (Uses) | <u>(5,578,107)</u> | <u>(5,073,315)</u> | <u>(5,058,983)</u> | <u>14,332</u> | <u>(4,968,141)</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 4,430,000 | 4,905,000 | 4,905,000 | - | 4,970,000 |
| Proceeds from refunding debt | - | 9,998,315 | 9,998,315 | - | - |
| Payments to refunding agent | <u>-</u> | <u>(9,830,000)</u> | <u>(9,830,000)</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>4,430,000</u> | <u>5,073,315</u> | <u>5,073,315</u> | <u>-</u> | <u>4,970,000</u> |
| Net Change in Fund Balance | (1,148,107) | - | 14,332 | 14,332 | 1,859 |
| Fund Balance, July 1 st | <u>8,010,894</u> | <u>8,010,894</u> | <u>8,010,894</u> | <u>-</u> | <u>8,009,035</u> |
| Fund Balance, June 30th | <u>\$ 6,862,787</u> | <u>\$ 8,010,894</u> | <u>\$ 8,025,226</u> | <u>\$ 14,332</u> | <u>\$ 8,010,894</u> |

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
STATE STREET AID – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Original and Final Budgeted Amounts | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) | Totals 2014 |
|---|--|---|---|----------------------------|
| Revenues: | | | | |
| Intergovernmental – State gasoline tax | \$ 700,000 | \$ 722,084 | \$ 22,084 | \$ 715,113 |
| Expenditures: | | | | |
| Streets: | | | | |
| Wages | 15,000 | 9,322 | 5,678 | 9,844 |
| Payroll taxes | 1,150 | 707 | 443 | 753 |
| Concrete and cement | 18,000 | 3,240 | 14,760 | - |
| Consumable tools | 1,000 | 300 | 700 | - |
| Insurance | 18 | 18 | - | - |
| Street, drainage, and bridge improvement | 900,000 | 458,423 | 441,577 | 405,878 |
| Electricity | <u>149,982</u> | <u>123,976</u> | <u>26,006</u> | <u>150,000</u> |
| Total Expenditures | <u>1,085,150</u> | <u>595,986</u> | <u>489,164</u> | <u>566,475</u> |
| Net Change in Fund Balance | (385,150) | 126,098 | 511,248 | 148,638 |
| Fund Balance, July 1 st | <u>1,149,990</u> | <u>1,149,990</u> | <u>-</u> | <u>1,001,352</u> |
| Fund Balance, June 30th | <u>\$ 764,840</u> | <u>\$ 1,276,088</u> | <u>\$ 511,248</u> | <u>\$ 1,149,990</u> |

See accompanying independent auditor's report

CITY OF MARYVILLE, TENNESSEE
MARYVILLE CITY SCHOOLS CAFETERIA FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Original and Final Budgeted Amounts</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance with Final Budget - Positive (Negative)</u> | <u>Totals 2014</u> |
|---|---|--|--|-------------------------------|
| Revenues: | | | | |
| Student meals | \$ 1,131,377 | \$ 1,004,285 | \$ (127,092) | \$ 1,061,645 |
| Adult meals | 64,388 | 59,749 | (4,639) | 60,603 |
| U.S.D.A. revenue | 1,042,500 | 1,036,561 | (5,939) | 1,075,417 |
| State revenues | 21,320 | 31,900 | 10,580 | 21,320 |
| ETHRA – Summer Feeding Program | - | 103,951 | 103,951 | 87,200 |
| A la carte items | 52,595 | 49,260 | (3,335) | 52,702 |
| Miscellaneous | <u>52,500</u> | <u>35,132</u> | <u>(17,368)</u> | <u>28,316</u> |
| Total Revenues | <u>2,364,680</u> | <u>2,320,838</u> | <u>(43,842)</u> | <u>2,387,203</u> |
| Expenditures: | | | | |
| Food | 1,010,000 | 1,035,999 | (25,999) | 1,026,861 |
| Supplies (non-food) | 80,000 | 72,177 | 7,823 | 69,477 |
| Equipment | 79,184 | 79,158 | 26 | 1,896 |
| Cafeteria personnel | 809,875 | 791,546 | 18,329 | 803,300 |
| Payroll taxes | 61,363 | 57,596 | 3,767 | 58,598 |
| Retirement | 48,486 | 46,805 | 1,681 | 49,500 |
| Medical and life insurance | 215,709 | 204,307 | 11,402 | 205,245 |
| Other fringe benefits | 5,763 | 5,310 | 453 | 5,078 |
| Office supplies | 800 | 790 | 10 | 71 |
| Contracted services | 7,500 | 5,100 | 2,400 | 5,100 |
| Travel | 3,500 | 2,442 | 1,058 | 1,381 |
| Staff development | 12,500 | 10,726 | 1,774 | 9,482 |
| Other charges | <u>30,000</u> | <u>20,853</u> | <u>9,147</u> | <u>22,137</u> |
| Total Expenditures | <u>2,364,680</u> | <u>2,332,809</u> | <u>31,871</u> | <u>2,258,126</u> |
| Net Change in Fund Balance | - | (11,971) | (11,971) | 129,077 |
| Change in Reserve for Inventory | - | (6,257) | (6,257) | (9,799) |
| Fund Balance, July 1 st | <u>456,789</u> | <u>456,789</u> | <u>-</u> | <u>337,511</u> |
| Fund Balance, June 30th | <u>\$ 456,789</u> | <u>\$ 438,561</u> | <u>\$ (18,228)</u> | <u>\$ 456,789</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Positive</u> | <u>Totals</u> |
|-------------------------------------|---------------------------|---------------------------|--|--|---------------------------|
| | <u>Original</u> | <u>Final</u> | <u>(Basis)</u> | <u>(Negative)</u> | <u>2014</u> |
| Revenues: | | | | | |
| Intergovernmental | \$ 1,778,323 | \$ 1,917,673 | \$ 1,905,924 | \$ (11,749) | \$ 1,897,953 |
| Expenditures: | | | | | |
| Regular instruction | 703,524 | 758,131 | 749,610 | 8,521 | 852,549 |
| Regular instruction support | 39,700 | 43,159 | 43,230 | (71) | 128,216 |
| Special education instruction | 986,447 | 1,066,508 | 1,063,209 | 3,299 | 874,196 |
| Vocational education instruction | 41,012 | 40,495 | 40,082 | 413 | 39,096 |
| Vocational education support | 5,640 | 9,030 | 9,443 | (413) | 3,896 |
| Vocational education administration | <u>2,000</u> | <u>350</u> | <u>350</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>1,778,323</u> | <u>1,917,673</u> | <u>1,905,924</u> | <u>11,749</u> | <u>1,897,953</u> |
| Net Change in Fund Balance | - | - | - | - | - |
| Fund Balance, July 1st | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30th | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
CARL PERKINS PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | Actual Amounts Budgetary (Basis) | Variance With Final Budget - Positive (Negative) |
|---|-------------------------|-------------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 48,652</u> | <u>\$ 49,875</u> | <u>\$ 49,875</u> | <u>\$ -</u> |
| Expenditures: | | | | |
| Vocational Education Instruction: | | | | |
| Vocational instructional equipment | \$ 37,649 | \$ 37,945 | \$ 37,277 | \$ 668 |
| Instructional supplies and materials | <u>3,363</u> | <u>2,550</u> | <u>2,805</u> | <u>(255)</u> |
| Total Vocational Education Instruction | <u>41,012</u> | <u>40,495</u> | <u>40,082</u> | <u>413</u> |
| Vocational Education Support: | | | | |
| Travel | 3,495 | 8,000 | 8,413 | (413) |
| In-service/staff development | 600 | 100 | 100 | - |
| Contractual services | <u>1,545</u> | <u>930</u> | <u>930</u> | <u>-</u> |
| Total Vocational Education Support | <u>5,640</u> | <u>9,030</u> | <u>9,443</u> | <u>(413)</u> |
| Vocational Education Administration: | | | | |
| Travel | <u>2,000</u> | <u>350</u> | <u>350</u> | <u>-</u> |
| Total Expenditures | <u>\$ 48,652</u> | <u>\$ 49,875</u> | <u>\$ 49,875</u> | <u>\$ -</u> |

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE I PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> |
|--|--------------------------|--------------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 595,776</u> | <u>\$ 628,368</u> | <u>\$ 628,368</u> | <u>\$ -</u> |
| Expenditures: | | | | |
| Regular Instruction: | | | | |
| Salaries and related costs | \$ 576,045 | \$ 576,349 | \$ 576,349 | \$ - |
| Instructional supplies and materials | <u>3,831</u> | <u>38,497</u> | <u>38,497</u> | <u>-</u> |
| Total Regular Instruction | <u>579,876</u> | <u>614,846</u> | <u>614,846</u> | <u>-</u> |
| Regular Instruction Support: | | | | |
| In-service/staff development | 8,900 | 10,723 | 10,723 | - |
| Other charges | <u>7,000</u> | <u>2,799</u> | <u>2,799</u> | <u>-</u> |
| Total Regular Instruction Support | <u>15,900</u> | <u>13,522</u> | <u>13,522</u> | <u>-</u> |
| Total Expenditures | <u>\$ 595,776</u> | <u>\$ 628,368</u> | <u>\$ 628,368</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE II (PART A) PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary (Basis) | Variance With Final Budget - Positive (Negative) |
|---|-------------------------|-------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 134,930</u> | <u>\$ 141,556</u> | <u>\$ 141,550</u> | <u>\$ (6)</u> |
| Expenditures: | | | | |
| Regular Instruction: | | | | |
| Salaries and related costs | \$ 112,930 | \$ 114,419 | \$ 114,413 | \$ 6 |
| Regular Instruction Support: | | | | |
| In-service/staff development | <u>22,000</u> | <u>27,137</u> | <u>27,137</u> | <u>-</u> |
| Total Expenditures | <u>\$ 134,930</u> | <u>\$ 141,556</u> | <u>\$ 141,550</u> | <u>\$ 6</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS - SPECIAL REVENUE FUND
TITLE III (PART A) (ESL) PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary Basis) | Variance With Final Budget - Positive (Negative) |
|---|-------------------------|------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 12,518</u> | <u>\$ 31,366</u> | <u>\$ 22,922</u> | <u>\$ (8,444)</u> |
| Expenditures: | | | | |
| Regular Instruction: | | | | |
| Salaries and related costs | \$ 5,272 | \$ 6,409 | \$ 2,913 | \$ 3,496 |
| Instructional supplies and materials | <u>5,446</u> | <u>22,457</u> | <u>17,438</u> | <u>5,019</u> |
| Total Regular Instruction | <u>10,718</u> | <u>28,866</u> | <u>20,351</u> | <u>8,515</u> |
| Regular Instruction Support: | | | | |
| In-service/staff development | 1,800 | 1,500 | 1,571 | (71) |
| Other charges | <u>-</u> | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Total Regular Instruction Support | <u>1,800</u> | <u>2,500</u> | <u>2,571</u> | <u>(71)</u> |
| Total Expenditures | <u>\$ 12,518</u> | <u>\$ 31,366</u> | <u>\$ 22,922</u> | <u>\$ 8,444</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
IDEA (PART B) PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary Basis) | Variance With Final Budget - Positive (Negative) |
|---|-------------------------|---------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 956,948</u> | <u>\$ 1,025,527</u> | <u>\$ 1,025,527</u> | <u>\$ -</u> |
| Expenditures: | | | | |
| Special Education Instruction: | | | | |
| Salaries and related costs | \$ 902,251 | \$ 993,172 | \$ 989,937 | \$ 3,235 |
| Instructional supplies and materials | <u>54,697</u> | <u>32,355</u> | <u>35,590</u> | <u>(3,235)</u> |
| Total Special Education Instruction | <u>\$ 956,948</u> | <u>\$ 1,025,527</u> | <u>\$ 1,025,527</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FEDERAL PROJECTS – SPECIAL REVENUE FUND
IDEA PRESCHOOL PROJECT #15-01
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance With</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> |
|---|-------------------------|------------------|--|---|
| | <u>Original</u> | <u>Final</u> | <u>Basis)</u> | |
| Revenues: | | | | |
| Monies received through the State of Tennessee | <u>\$ 29,499</u> | <u>\$ 40,981</u> | <u>\$ 37,682</u> | <u>\$ (3,299)</u> |
| Expenditures: | | | | |
| Special Education Instruction: | | | | |
| Salaries and related costs | \$ 27,123 | \$ 29,161 | \$ 28,302 | \$ 859 |
| Instructional supplies and materials | <u>2,376</u> | <u>11,820</u> | <u>9,380</u> | <u>2,440</u> |
| Total Expenditures | <u>\$ 29,499</u> | <u>\$ 40,981</u> | <u>\$ 37,682</u> | <u>\$ 3,299</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
SPECIAL PROJECTS – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Original and Final Budget <u>Amounts</u> | Actual Amounts (Budgetary <u>Basis</u>) | Variance with Final Budget - Positive (<u>Negative</u>) | Totals <u>2014</u> |
|--------------------------------|---|---|--|-------------------------|
| Revenues | \$ 3,500 | \$ 6,400 | \$ 2,900 | \$ 18,563 |
| Expenditures: | | | | |
| Special projects | <u>9,800</u> | <u>3,191</u> | <u>6,609</u> | <u>19,426</u> |
| Net Change in Fund Balance | (6,300) | 3,209 | 9,509 | (863) |
| Fund Balance, July 1st | <u>70,721</u> | <u>70,721</u> | <u>-</u> | <u>71,584</u> |
| Fund Balance, June 30th | <u>\$ 64,421</u> | <u>\$ 73,930</u> | <u>\$ 9,509</u> | <u>\$ 70,721</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
MARYVILLE CITY SCHOOLS CONTINUING CARE PROGRAM -
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Original and Final Budgeted Amounts | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) | Totals 2014 |
|--------------------------------|--|---|---|--------------------------|
| Revenues: | | | | |
| Community service fees | \$ 812,700 | \$ 875,571 | \$ 62,871 | \$ 843,528 |
| Expenditures: | | | | |
| Salaries and related costs | 616,316 | 554,002 | 62,314 | 646,079 |
| Materials and supplies | 146,109 | 142,087 | 4,022 | 139,996 |
| Travel | 275 | 181 | 94 | - |
| Other expenditures | <u>50,000</u> | <u>42,247</u> | <u>7,753</u> | <u>23,134</u> |
| Total Expenditures | <u>812,700</u> | <u>738,517</u> | <u>74,183</u> | <u>809,209</u> |
| Net Change in Fund Balance | - | 137,054 | 137,054 | 34,319 |
| Fund Balance, July 1st | <u>250,287</u> | <u>250,287</u> | - | <u>215,968</u> |
| Fund Balance, June 30th | <u>\$ 250,287</u> | <u>\$ 387,341</u> | <u>\$ 137,054</u> | <u>\$ 250,287</u> |

See accompanying independent auditor's report.

CITY OF MARYVILLE, TENNESSEE
LOCAL GRANT – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Original and Final Budgeted Amounts | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) | Totals 2014 |
|---|--|---|---|--------------------------|
| Revenues: | | | | |
| Intergovernmental - Other federal and state grants | \$ 1,147,059 | \$ 180,853 | \$ (966,206) | \$ 87,690 |
| Project refund | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,114</u> |
| Total Revenues | <u>1,147,059</u> | <u>180,853</u> | <u>(966,206)</u> | <u>93,804</u> |
| Expenditures: | | | | |
| Public Safety | 255,305 | 74,780 | 180,525 | 87,696 |
| John Sevier Pool Improvements | 500,000 | 18,944 | 481,056 | - |
| Five Points Round-About Project | - | 28,480 | (28,480) | - |
| JAG AFN Tracker System | 15,000 | 15,000 | - | - |
| Fire Safety Equipment | 166,060 | 4,776 | 161,284 | - |
| McCammon Avenue Relocation | <u>560,000</u> | <u>101,921</u> | <u>458,079</u> | <u>3,750</u> |
| Total Expenditures | <u>1,496,365</u> | <u>243,901</u> | <u>1,252,464</u> | <u>91,446</u> |
| Net Change in Fund Balance Before Other Financing Sources (Uses) | (349,306) | (63,048) | 286,258 | 2,358 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | <u>349,306</u> | <u>278,480</u> | <u>(70,826)</u> | <u>53,779</u> |
| Net Change in Fund Balance | - | 215,432 | 215,432 | 56,137 |
| Fund Balance (Deficit), July 1st | <u>375,012</u> | <u>375,012</u> | <u>-</u> | <u>318,875</u> |
| Fund Balance (Deficit), June 30th | <u>\$ 375,012</u> | <u>\$ 590,444</u> | <u>\$ 215,432</u> | <u>\$ 375,012</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
DRUG FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | Original and Final Budgeted <u>Amounts</u> | Actual Amounts (Budgetary <u>Basis</u>) | Variance with Final Budget - Positive (Negative) | Totals <u>2014</u> |
|--------------------------------|---|--|---|-------------------------------|
| Revenues: | | | | |
| Drug-related fines | \$ 10,000 | \$ 7,518 | \$ (2,482) | \$ 31,709 |
| Impound and wrecker fees | 35,200 | 27,675 | (7,525) | 26,725 |
| Sale of equipment | 25,000 | 16,560 | (8,440) | 60,891 |
| Contributions | <u>-</u> | <u>520</u> | <u>520</u> | <u>1,500</u> |
| Total Revenues | <u>70,200</u> | <u>52,273</u> | <u>(17,927)</u> | <u>120,825</u> |
| Expenditures: | | | | |
| Wrecker fees | 24,000 | 21,575 | 2,425 | 22,850 |
| Motor vehicle parts | 10,000 | - | 10,000 | - |
| Utilities | 3,074 | 2,214 | 860 | 2,560 |
| Firearms and supplies | 10,000 | - | 10,000 | - |
| Training | 10,000 | 3,000 | 7,000 | - |
| Professional services | 8,500 | 1,797 | 6,703 | 4,270 |
| Crime prevention program | 10,000 | - | 10,000 | 3,486 |
| Safety supplies | 5,000 | - | 5,000 | 42 |
| Public relations | 10,000 | - | 10,000 | - |
| Other supplies | - | - | - | 15,504 |
| SWAT Team equipment | 5,000 | - | 5,000 | - |
| Informant services | 3,000 | 200 | 2,800 | - |
| Uniforms | 3,000 | - | 3,000 | - |
| Building improvements | 30,000 | 77 | 29,923 | - |
| Equipment | 64,000 | 23,512 | 40,488 | 18,826 |
| Transportation equipment | 40,000 | 27,613 | 12,387 | 18,629 |
| Other expenditures | <u>1,000</u> | <u>860</u> | <u>140</u> | <u>-</u> |
| Total Expenditures | <u>236,574</u> | <u>80,848</u> | <u>155,726</u> | <u>86,167</u> |
| Net Change in Fund Balance | (166,374) | (28,575) | 137,799 | 34,658 |
| Fund Balance, July 1st | <u>276,621</u> | <u>276,621</u> | <u>-</u> | <u>241,963</u> |
| Fund Balance, June 30th | <u>\$ 110,247</u> | <u>\$ 248,046</u> | <u>\$ 137,799</u> | <u>\$ 276,621</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
FOOTHILLS FALL FESTIVAL – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended Jun 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance with</u> <u>Final Budget -</u> <u>Totals</u> | <u>Positive</u> |
|------------------------------------|--------------------------|-------------------------|--|--|--------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Basis)</u> | <u>(Negative)</u> | <u>2014</u> |
| Revenues: | | | | | |
| Sponsorships | \$ 125,000 | \$ 129,286 | \$ 129,286 | \$ - | \$ 150,015 |
| Contributions | 25,000 | 30,500 | 30,500 | - | - |
| Ticket sales | 530,000 | 525,110 | 524,127 | (983) | 541,040 |
| Festival fees | 59,000 | 56,832 | 56,832 | - | 59,730 |
| Merchandise sales | 11,000 | 25,292 | 25,292 | - | 11,412 |
| Miscellaneous | <u>4,100</u> | <u>5,580</u> | <u>5,580</u> | <u>-</u> | <u>6,682</u> |
| Total Revenues | <u>754,100</u> | <u>772,600</u> | <u>771,617</u> | <u>(983)</u> | <u>768,879</u> |
| Expenditures: | | | | | |
| Production costs | 60,000 | 81,825 | 76,825 | 5,000 | 53,887 |
| Merchandise | 4,400 | 13,656 | 13,656 | - | 4,554 |
| Food concessions | 3,700 | 2,960 | 2,960 | - | 3,728 |
| Transportation and event set-up | 17,800 | 38,127 | 38,127 | - | 25,063 |
| Publicity | 14,100 | 28,664 | 28,664 | - | 11,840 |
| Supplies | 4,200 | 1,869 | 1,869 | - | 3,446 |
| Entertainment | 529,750 | 647,767 | 647,767 | - | 568,166 |
| Event contract services | 36,000 | 36,536 | 36,536 | - | 32,380 |
| Downtown events | 11,650 | 10,514 | 10,514 | - | 10,557 |
| Sponsor/promotional expenses | 10,700 | 3,815 | 3,815 | - | 4,740 |
| Children's activities | 35,000 | 51,879 | 51,879 | - | 35,938 |
| Volunteers | 5,700 | 12,442 | 12,442 | - | 4,773 |
| Graphics/website | 12,000 | 5,397 | 5,397 | - | 6,405 |
| Other | <u>9,100</u> | <u>3,838</u> | <u>3,875</u> | <u>(37)</u> | <u>4,544</u> |
| Total Expenditures | <u>754,100</u> | <u>939,289</u> | <u>934,326</u> | <u>4,963</u> | <u>770,021</u> |
| Net Change in Fund Balance | - | (166,689) | (162,709) | 3,980 | (1,142) |
| Fund Balance, July 1 st | <u>236,204</u> | <u>236,204</u> | <u>236,204</u> | <u>-</u> | <u>237,346</u> |
| Fund Balance, June 30th | <u>\$ 236,204</u> | <u>\$ 69,515</u> | <u>\$ 73,495</u> | <u>\$ 3,980</u> | <u>\$ 236,204</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
INDUSTRIAL DEVELOPMENT FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary Basis) | Variance with Final Budget - Positive (Negative) | Totals <u>2014</u> |
|------------------------------|--------------------------|--------------------------|---|---|--------------------------|
| | <u>Original</u> | <u>Final</u> | | | |
| Revenues: | | | | | |
| Rent income | \$ 42,300 | \$ 42,300 | \$ 42,300 | \$ - | \$ 42,300 |
| Expenditures: | | | | | |
| Operations and maintenance | 1,000 | - | - | - | - |
| Utilities | 2,572 | 2,609 | 2,609 | - | 2,910 |
| Industrial recruitment | 3,000 | - | - | - | 7,553 |
| Development funding | - | 6,345 | 6,345 | - | - |
| Other expenditures | <u>2,600</u> | <u>218</u> | <u>-</u> | <u>218</u> | <u>-</u> |
| Total Expenditures | <u>9,172</u> | <u>9,172</u> | <u>8,954</u> | <u>218</u> | <u>10,463</u> |
| Net Change in Fund Balance | 33,128 | 33,128 | 33,346 | 218 | 31,837 |
| Fund Balance, July 1st | <u>193,067</u> | <u>193,067</u> | <u>193,067</u> | <u>-</u> | <u>161,230</u> |
| Fund Balance, June 30 | <u>\$ 226,195</u> | <u>\$ 226,195</u> | <u>\$ 226,413</u> | <u>\$ 218</u> | <u>\$ 193,067</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
GEOGRAPHIC INFORMATION SYSTEMS FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> | <u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> | <u>Totals</u> |
|--|-------------------------|-------------------------|--|--|-------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Basis)</u> | <u>(Negative)</u> | <u>2014</u> |
| Revenues: | | | | | |
| Intergovernmental funding | \$ 219,519 | \$ 219,519 | \$ 248,989 | \$ 29,470 | \$ 224,244 |
| Data sales | 32,500 | 32,500 | 42,853 | 10,353 | 9,999 |
| Miscellaneous | <u>9,000</u> | <u>9,000</u> | <u>12,873</u> | <u>3,873</u> | <u>12,902</u> |
| Total Revenues | <u>261,019</u> | <u>261,019</u> | <u>304,715</u> | <u>43,696</u> | <u>247,145</u> |
| Expenditures: | | | | | |
| Salaries and related costs | 136,301 | 134,572 | 128,490 | 6,082 | 125,338 |
| Equipment repairs | 50,150 | 43,084 | 39,200 | 3,884 | 38,955 |
| Computer equipment | 1,255 | 2,467 | 2,586 | (119) | 16,116 |
| Training | 1,074 | 1,549 | 1,549 | - | 1,011 |
| Contracted services | 115,370 | 121,770 | 71,371 | 50,399 | 60,617 |
| Supplies | 450 | 450 | 18 | 432 | 7 |
| Insurance | 3,536 | 3,553 | 537 | 3,016 | 140 |
| IT services | 3,784 | 3,784 | 3,784 | - | 7,006 |
| Other expenditures | <u>3,723</u> | <u>4,414</u> | <u>4,078</u> | <u>336</u> | <u>3,084</u> |
| Total Expenditures | <u>315,643</u> | <u>315,643</u> | <u>251,613</u> | <u>64,030</u> | <u>252,274</u> |
| Net Change in Fund Balance | | | | | |
| Before Other Financing Sources (Uses) | (54,624) | (54,624) | 53,102 | 107,726 | (5,129) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | <u>31,124</u> | <u>31,124</u> | <u>31,124</u> | <u>-</u> | <u>28,030</u> |
| Net Change in Fund Balance | (23,500) | (23,500) | 84,226 | 107,726 | 22,901 |
| Fund Balance, July 1st | <u>93,036</u> | <u>93,036</u> | <u>93,036</u> | <u>-</u> | <u>70,135</u> |
| Fund Balance (Deficit), June 30th | <u>\$ 69,536</u> | <u>\$ 69,536</u> | <u>\$ 177,262</u> | <u>\$ 107,726</u> | <u>\$ 93,036</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CENTRAL TRAFFIC OPERATIONS FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> | <u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> | <u>Totals</u> <u>2014</u> |
|---|-------------------------|------------------------|---|---|------------------------------|
| | <u>Original</u> | <u>Final</u> | | | |
| Revenues: | | | | | |
| Intergovernmental funding | \$ 47,664 | \$ 47,664 | \$ 39,109 | \$ (8,555) | \$ 36,659 |
| Expenditures: | | | | | |
| Salaries and related costs | 66,279 | 66,279 | 66,089 | 190 | 63,645 |
| Insurance | 92 | 94 | 94 | - | 71 |
| Traffic light supplies | 29,260 | 21,583 | 16,846 | 4,737 | 24,441 |
| Professional services | 6,000 | 7,800 | 7,657 | 143 | 1,176 |
| Computer equipment | 737 | 837 | 819 | 18 | 2,980 |
| Equipment | 7,000 | 12,750 | 9,750 | 3,000 | 3,795 |
| Other expenses | <u>4,886</u> | <u>4,911</u> | <u>4,043</u> | <u>868</u> | <u>2,373</u> |
| Total Expenditures | <u>114,254</u> | <u>114,254</u> | <u>105,298</u> | <u>8,956</u> | <u>98,481</u> |
| Net Change in Fund Balance Before Other Financing Sources (Uses) | (66,590) | (66,590) | (66,189) | 401 | (61,822) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | <u>66,590</u> | <u>66,590</u> | <u>66,590</u> | <u>-</u> | <u>62,421</u> |
| Net Change in Fund Balance | - | - | 401 | 401 | 599 |
| Fund Balance, July 1st | <u>1,461</u> | <u>1,461</u> | <u>1,461</u> | <u>-</u> | <u>862</u> |
| Fund Balance, June 30th | <u>\$ 1,461</u> | <u>\$ 1,461</u> | <u>\$ 1,862</u> | <u>\$ 401</u> | <u>\$ 1,461</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
ENTERPRISE FUND
Electric Department
SCHEDULE OF OPERATING AND MAINTENANCE EXPENSE BY DEPARTMENT
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| <u>OPERATING EXPENSE</u> | | |
| TRANSMISSION: | | |
| Station expense..... | \$ 9,650 | \$ 15,563 |
| DISTRIBUTION: | | |
| Supervision and engineering..... | 121,035 | 139,256 |
| Station expense..... | 22,723 | 24,323 |
| Overhead line expense..... | 549,979 | 490,925 |
| Underground line expense..... | 334,234 | 321,290 |
| Street lighting and signal expense..... | 14,474 | 16,109 |
| Meter expense..... | 1,731 | 105,105 |
| Rents..... | 78,182 | 94,806 |
| Miscellaneous distribution expense..... | <u>3,081</u> | <u>137</u> |
| Total Distribution Operating Expense..... | <u>1,125,439</u> | <u>1,191,951</u> |
| CUSTOMER ACCOUNTS EXPENSE: | | |
| Supervision..... | 41,443 | 36,112 |
| Meter reading expense..... | 23,893 | 22,189 |
| Customer record and collection expense..... | 570,997 | 533,959 |
| Uncollectible accounts..... | <u>43,432</u> | <u>47,943</u> |
| Total Customer Accounts Expense..... | <u>679,765</u> | <u>640,203</u> |
| SALES EXPENSE: | | |
| Customer service..... | 2,026 | 1,812 |
| General sales expense..... | <u>131,470</u> | <u>106,101</u> |
| Total Sales Expense..... | <u>133,496</u> | <u>107,913</u> |
| ADMINISTRATIVE AND GENERAL EXPENSE: | | |
| Administrative and general salaries..... | 460,392 | 507,564 |
| Office supplies and expense..... | 101,364 | 84,383 |
| Outside services employed..... | 143,036 | 66,742 |
| Property insurance..... | 36,849 | 33,433 |
| Injuries and damages..... | 21,313 | 17,688 |
| Employee pensions and benefits..... | 567,453 | 748,705 |
| Miscellaneous..... | 49,887 | 40,487 |
| Rent..... | <u>481,587</u> | <u>337,613</u> |
| Total Administrative and General Operating Expense..... | <u>1,861,881</u> | <u>1,836,615</u> |
| Total Operating Expense..... | <u>3,810,231</u> | <u>3,792,245</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
ENTERPRISE FUND
Electric Department
SCHEDULE OF OPERATING AND MAINTENANCE EXPENSE BY DEPARTMENT (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|
| <u>MAINTENANCE EXPENSE</u> | | |
| TRANSMISSION: | | |
| Maintenance of station equipment..... | 50,396 | 45,953 |
| DISTRIBUTION: | | |
| Supervision and engineering..... | 87,597 | 88,916 |
| Maintenance of station equipment..... | 7,355 | 18,187 |
| Maintenance of overhead lines..... | 1,012,626 | 874,964 |
| Maintenance of underground lines..... | 107,618 | 210,584 |
| Maintenance of line transformers..... | 8,385 | 29,343 |
| Street lighting and signal systems..... | 139,834 | 120,694 |
| Maintenance of meters..... | 66,108 | 60,821 |
| Maintenance of miscellaneous plant..... | 18,350 | 4,711 |
| Total Distribution Maintenance Expense..... | 1,447,873 | 1,408,220 |
| ADMINISTRATIVE AND GENERAL EXPENSE: | | |
| Maintenance of general plant..... | 6,294 | 5,492 |
| Total Maintenance Expense..... | 1,504,563 | 1,459,665 |
| <u>OTHER OPERATING EXPENSE</u> | | |
| Depreciation expense..... | 2,242,519 | 2,161,991 |
| Taxes and tax equivalents..... | 474,515 | 469,250 |
| Total Other Operating Expense..... | 2,717,034 | 2,631,241 |
| Total Operating and Maintenance Expense (Exclusive of Purchased Power)..... | \$ 8,031,828 | \$ 7,883,151 |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Electric Department
SCHEDULE OF ELECTRIC CAPITAL ASSETS
June 30, 2015

| <u>Description</u> | <u>Account Number</u> | <u>Balance 7/1/14</u> | <u>Additions</u> | <u>Retirements and Other Decreases</u> | <u>Balance 6/30/15</u> |
|--|-----------------------|-----------------------|---------------------|--|------------------------|
| ELECTRIC PLANT IN SERVICE: | | | | | |
| TRANSMISSION PLANT: | | | | | |
| Land and land rights | 350 | \$ 105,584 | \$ - | \$ - | \$ 105,584 |
| Structures and improvements | 352 | 547,686 | - | - | 547,686 |
| Station equipment | 353 | 2,919,595 | 204,842 | - | 3,124,437 |
| Towers and fixtures | 354 | 45,532 | - | 1,013 | 44,519 |
| Poles and fixtures | 355 | 1,005,415 | 235,046 | - | 1,240,461 |
| Overhead conductors and devices | 356 | <u>642,394</u> | <u>203,010</u> | <u>25,754</u> | <u>819,650</u> |
| Total Transmission Plant | | <u>5,266,206</u> | <u>642,898</u> | <u>26,767</u> | <u>5,882,337</u> |
| DISTRIBUTION PLANT: | | | | | |
| Land and land rights | 360 | 189,493 | - | - | 189,493 |
| Structures and Improvements | 361 | 1,575,436 | - | - | 1,575,436 |
| Substation equipment | 362 | 8,551,769 | 105,605 | - | 8,657,374 |
| Poles, towers, and fixtures | 364 | 6,356,204 | 237,747 | 45,131 | 6,548,820 |
| Overhead conductors and devices | 365 | 6,394,146 | 213,171 | 51,851 | 6,555,466 |
| Underground conduit | 366 | 2,428,431 | 238,928 | 10,545 | 2,656,814 |
| Underground conductor | 367 | 5,617,149 | 385,330 | 58,784 | 5,943,695 |
| Transformers | 368 | 11,042,160 | 734,104 | 226,682 | 11,549,582 |
| Services | 369 | 4,831,778 | 210,792 | 22,426 | 5,020,144 |
| Meters | 370 | 1,548,368 | 280,241 | 20,927 | 1,807,682 |
| Private outdoor lighting | 371 | 790,431 | 58,843 | 19,195 | 830,079 |
| Street lighting and signal systems | 373 | <u>4,342,611</u> | <u>372,725</u> | <u>66,815</u> | <u>4,648,521</u> |
| Total Distribution Plant | | <u>53,667,976</u> | <u>2,837,486</u> | <u>522,356</u> | <u>55,983,106</u> |
| GENERAL PLANT: | | | | | |
| Land and land rights | 389 | 110,000 | - | - | 110,000 |
| Structures and improvements | 390 | 2,848,713 | - | - | 2,848,713 |
| Office furniture | 391 | 78,127 | - | - | 78,127 |
| Transportation equipment | 392 | 2,466,616 | 430,733 | 181,378 | 2,715,971 |
| Stores equipment | 393 | 96,485 | - | - | 96,485 |
| Tools and work equipment | 394 | 22,813 | - | - | 22,813 |
| Laboratory equipment | 395 | 71,686 | - | - | 71,686 |
| Power operated equipment | 396 | 316,964 | - | - | 316,964 |
| Communication equipment | 397 | 690,231 | 103,475 | - | 793,706 |
| Miscellaneous equipment | 398 | <u>319,991</u> | <u>15,662</u> | <u>-</u> | <u>335,653</u> |
| Total General Plant | | <u>7,021,626</u> | <u>549,870</u> | <u>181,378</u> | <u>7,390,118</u> |
| Total Electric Plant in Service | | 65,955,808 | 4,030,254 | 730,501 | 69,255,561 |
| UTILITY PLANT ACQUISITION COSTS: | | | | | |
| Excess of cost over engineer's valuation - Amortized | | 39,201 | - | - | 39,201 |
| CONSTRUCTION WORK IN PROGRESS | | <u>1,524,195</u> | <u>4,594,708</u> | <u>4,030,254</u> | <u>2,088,649</u> |
| Total Electric Plant | | <u>\$ 67,519,204</u> | <u>\$ 8,624,962</u> | <u>\$ 4,760,755</u> | <u>\$ 71,383,411</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Electric Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2015

| <u>Description</u> | <u>Account Number</u> | <u>Balance 7/1/14</u> | <u>Additions</u> | <u>Retirements and Other Decreases</u> | <u>Balance 6/30/15</u> | <u>Depreciation Rate</u> |
|---|-----------------------|-----------------------|---------------------|--|------------------------|--------------------------|
| TRANSMISSION PLANT: | | | | | | |
| Structures and improvements | 352 | \$ 198,248 | \$ 15,077 | \$ - | \$ 213,325 | 3.00% |
| Station equipment | 353 | 1,429,269 | 74,904 | - | 1,504,173 | 3.00% |
| Towers and fixtures | 354 | 7,734 | 1,325 | 1,013 | 8,046 | 3.00% |
| Poles and fixtures | 355 | 349,906 | 29,505 | - | 379,411 | 3.00% |
| Overhead conductors and devices | 356 | <u>250,226</u> | <u>10,250</u> | <u>25,754</u> | <u>234,722</u> | 2.00% |
| Total Transmission Plant | | <u>2,235,383</u> | <u>131,061</u> | <u>26,767</u> | <u>2,339,677</u> | |
| DISTRIBUTION PLANT: | | | | | | |
| Structures and improvements | 361 | 552,762 | 40,919 | - | 593,681 | 3.00% |
| Substation equipment | 362 | 2,362,400 | 246,198 | - | 2,608,598 | 3.00% |
| Poles, towers, and fixtures | 364 | 2,003,787 | 258,971 | 55,697 | 2,207,061 | 4.00% |
| Overhead conductors and devices | 365 | 1,220,867 | 190,507 | 55,454 | 1,355,920 | 3.25% |
| Underground conduit | 366 | 1,316,728 | 67,923 | 12,595 | 1,372,056 | 3.00% |
| Underground conductor | 367 | 3,414,524 | 206,884 | 61,071 | 3,560,337 | 4.50% |
| Transformers | 368 | 2,665,220 | 275,464 | 229,661 | 2,711,023 | 2.50% |
| Services | 369 | 3,719,177 | 267,958 | 25,986 | 3,961,149 | 5.50% |
| Meters | 370 | 356,346 | 101,824 | 20,927 | 437,243 | 6.00% |
| Private outdoor lighting | 371 | 388,634 | 43,667 | 21,102 | 411,199 | 7.00% |
| Street lighting and signal systems | 373 | <u>2,797,028</u> | <u>253,239</u> | <u>45,490</u> | <u>3,004,777</u> | 4-8.00% |
| Total Distribution Plant | | <u>20,797,473</u> | <u>1,953,554</u> | <u>527,983</u> | <u>22,223,044</u> | |
| GENERAL PLANT: | | | | | | |
| Structures and improvements | 390 | 1,895,370 | 87,269 | - | 1,982,639 | 3.25% |
| Office furniture | 391 | 65,423 | 6,928 | - | 72,351 | 9.75% |
| Transportation equipment | 392 | 1,531,029 | 234,208 | 129,228 | 1,636,009 | 12.50% |
| Stores equipment | 393 | 63,254 | 3,592 | - | 66,846 | 5.00% |
| Tools and work equipment | 394 | 19,847 | 778 | - | 20,625 | 9.75% |
| Laboratory equipment | 395 | 45,515 | 2,219 | - | 47,734 | 6.00% |
| Power operated equipment | 396 | 285,611 | 13,692 | - | 299,303 | 12.50% |
| Communication equipment | 397 | 283,004 | 26,831 | - | 309,835 | 3.00% |
| Miscellaneous equipment | 398 | <u>236,987</u> | <u>16,594</u> | <u>-</u> | <u>253,581</u> | 8.00% |
| Total General Plant | | <u>4,426,040</u> | <u>392,111</u> | <u>129,228</u> | <u>4,688,923</u> | |
| UTILITY PLANT ACQUISITION COSTS: | | | | | | |
| Excess of cost over engineer's valuation - amortized | | <u>39,201</u> | <u>-</u> | <u>-</u> | <u>39,201</u> | |
| Totals | | <u>\$27,498,097</u> | <u>\$ 2,476,726</u> | <u>\$ 683,978</u> | <u>\$29,290,845</u> | |
| | | | (1) | (2) | | |
| (1) Charged to depreciation expense | | | \$ 2,242,518 | | | |
| Charged to clearing accounts | | | <u>234,208</u> | | | |
| Total Accruals | | | <u>\$ 2,476,726</u> | | | |
| (2) Original cost of units retired | | | | \$ 730,501 | | |
| Add: | | | | | | |
| Removal cost (Net of salvage in the amount of \$84,870) | | | | <u>(46,523)</u> | | |
| Total Retirements | | | | <u>\$ 683,978</u> | | |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| DIRECT OPERATING EXPENSES | | |
| Water Expenses: | | |
| Salaries and related costs | \$ 470,340 | \$ 507,600 |
| Communications | 5,542 | 4,885 |
| Repairs and maintenance | 17,890 | 16,987 |
| Utilities | 243,922 | 260,098 |
| Operating supplies | 12,443 | 12,608 |
| Fuels and lubricants | 634 | 634 |
| Consumable tools | 258 | - |
| Uniforms | 1,898 | 2,350 |
| Insurance | 20,313 | 17,627 |
| IT services | 18,298 | 11,422 |
| Computer operations | 1,765 | 2,839 |
| State inspection services | 19,910 | 19,910 |
| Professional services | 36,570 | 12,370 |
| Analytical and meter lab testing | 6,046 | 4,384 |
| Chemicals | 85,520 | 90,737 |
| Other expenses | <u>2,716</u> | <u>2,708</u> |
| Total Water Expenses | <u>944,065</u> | <u>967,159</u> |
| Waste Water Treatment Expenses: | | |
| Salaries and related costs | 1,145,417 | 1,281,955 |
| Communications | 13,806 | 12,936 |
| Repairs and maintenance | 119,942 | 140,728 |
| Utilities | 976,612 | 1,081,398 |
| Operating supplies | 20,589 | 14,343 |
| Materials – Asphalt, stone, pipe, etc. | 1,805 | 854 |
| Fuels and lubricants | 14,213 | 17,101 |
| Diesel fuel | 16,637 | 15,620 |
| Consumable tools | 3,550 | 5,117 |
| Uniforms | 5,799 | 4,155 |
| Insurance | 61,738 | 56,739 |
| IT services | 29,141 | 18,547 |
| Computer operations | 1,217 | 3,043 |
| State inspection services | 12,405 | 12,545 |
| Analytical and meter lab testing | 13,347 | 13,013 |
| Equipment rental | 12,435 | 5,861 |
| Landfill services | 7,800 | 7,815 |
| Professional services | 184,819 | 33,373 |
| Treatment chemicals | 224,089 | 229,884 |
| Other expenses | <u>6,252</u> | <u>6,811</u> |
| Total Waste Water Treatment Expenses | <u>2,871,613</u> | <u>2,961,838</u> |

See accompanying independent auditors' report.

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT (Continued)
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------------|-----------------------------|
| DIRECT OPERATING EXPENSES (Continued) | | |
| Water and Waste Water System: | | |
| Salaries and related costs | \$ 944,360 | \$ 1,060,226 |
| Communications | 3,883 | 6,069 |
| Repairs and maintenance | 64,675 | 95,020 |
| Utilities | 89,004 | 84,023 |
| Operating supplies | 9,358 | 7,477 |
| Consumable tools | 10,072 | 6,096 |
| Uniforms | 8,478 | 8,310 |
| Insurance | 15,960 | 12,821 |
| Professional services | 31,805 | 2,610 |
| Digital communication system | 19,144 | - |
| Other expenses | <u>3,483</u> | <u>2,863</u> |
| Total Water and Waste Water System | <u>1,200,222</u> | <u>1,285,515</u> |
| Total Direct Operating Expenses | <u>5,015,900</u> | <u>5,214,512</u> |
| CUSTOMER ACCOUNTING AND COLLECTION: | | |
| Customer records and expenses/meter reading expense | 1,004,958 | 934,686 |
| Uncollectible accounts | <u>17,500</u> | <u>18,000</u> |
| Total Customer Accounting and Collection | <u>1,022,458</u> | <u>952,686</u> |
| ADMINISTRATIVE AND GENERAL EXPENSES: | | |
| Administrative and general salaries and related costs | 835,576 | 885,252 |
| IT Services | 88,100 | 69,528 |
| Insurance | 45,728 | 39,301 |
| Occupancy expense | 199,932 | 143,924 |
| Operating supplies | 1,638 | 11,824 |
| Training | 844 | 3,472 |
| Memberships | 18,223 | 13,037 |
| Professional services | 189,022 | 74,215 |
| Grants and donations | 66,099 | 65,426 |
| Digital communication system | 19,144 | - |
| Other expenses | <u>36,473</u> | <u>14,737</u> |
| Total Administrative and General Expenses | <u>1,500,779</u> | <u>1,320,716</u> |
| OTHER OPERATING EXPENSES: | | |
| Depreciation of utility plant | <u>3,266,256</u> | <u>3,230,550</u> |
| Total Operating Expenses | <u>\$ 10,805,393</u> | <u>\$ 10,718,464</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF WATER AND SEWER CAPITAL ASSETS
June 30, 2015

| <u>Description</u> | <u>Account Number</u> | <u>Balance 7/1/14</u> | <u>Additions</u> | <u>Retirements and Other Decreases</u> | <u>Balance 6/30/15</u> |
|--|---------------------------|------------------------------|----------------------------|--|------------------------------|
| WATER PLANT IN SERVICE: | | | | | |
| Land and land rights | 311 | \$ 1,524,523 | \$ - | \$ - | \$ 1,524,523 |
| Structures and improvements | 312 | 9,047,581 | 3,323 | - | 9,050,904 |
| Electric pumping equipment | 316 | 1,738,699 | 68,470 | 36,673 | 1,770,496 |
| Purification system | 320 | 814,429 | - | - | 814,429 |
| Transmission mains and accessories | 321 | 2,160,903 | - | - | 2,160,903 |
| Distribution mains and accessories | 322 | 14,163,363 | 615,258 | 25,053 | 14,753,568 |
| Services | 323 | 4,224,822 | 397,073 | 4,493 | 4,617,402 |
| Meters, meter boxes and signs | 324 | 2,800,979 | 66,891 | 20,372 | 2,847,498 |
| Hydrants | 325 | 1,669,875 | 65,191 | 10,251 | 1,724,815 |
| Office furniture and fixtures | 329 | 77,410 | - | - | 77,410 |
| Transportation equipment | 330 | 2,524,347 | 298,055 | 153,997 | 2,668,405 |
| Stores equipment | 331 | 15,002 | 15,556 | 1,000 | 29,558 |
| Laboratory equipment | 333 | 16,719 | 40,713 | - | 57,432 |
| Tools and work equipment | 334 | 62,110 | 1,882 | - | 63,992 |
| Communication equipment | 335 | 112,905 | - | - | 112,905 |
| Miscellaneous equipment | 336 | <u>1,420,684</u> | <u>-</u> | <u>-</u> | <u>1,420,684</u> |
| Total Water Plant in Service | | <u>42,374,351</u> | <u>1,572,412</u> | <u>251,839</u> | <u>43,694,924</u> |
| SEWER PLANT IN SERVICE: | | | | | |
| Structures and improvements | 312 | 49,153,905 | 11,831 | 15,094 | 49,150,642 |
| Transmission mains and accessories | 321 | 6,767,993 | - | 39 | 6,767,954 |
| Distribution mains and accessories | 322 | 23,370,645 | 649,520 | 43,801 | 23,976,364 |
| Services | 323 | <u>4,465,113</u> | <u>165,852</u> | <u>809</u> | <u>4,630,156</u> |
| Total Sewer Plant in Service | | <u>83,757,656</u> | <u>827,203</u> | <u>59,743</u> | <u>84,525,116</u> |
| Total Water and Sewer Plant in Service | | 126,132,007 | 2,399,615 | 311,582 | 128,220,040 |
| UTILITY PLANT ACQUISITION COSTS: | | | | | |
| Excess of cost over engineer's valuation - amortized | | 123,569 | - | - | 123,569 |
| CONSTRUCTION WORK IN PROGRESS | | <u>759,414</u> | <u>3,115,308</u> | <u>2,399,815</u> | <u>1,474,907</u> |
| Total Water and Sewer Plant | | <u>\$ 127,014,990</u> | <u>\$ 5,514,923</u> | <u>\$ 2,711,397</u> | <u>\$ 129,818,516</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2015

| Description | Account Number | Balance 7/1/14 | Additions | Retirements and Other Decreases | Balance 6/30/15 | Depreciation Rate |
|--|---------------------------|-----------------------------|----------------------------|--|-----------------------------|------------------------------|
| WATER PLANT IN SERVICE: | | | | | | |
| Structures and improvements | 312 | \$ 3,555,306 | \$ 282,724 | \$ - | \$ 3,838,030 | 2.00% |
| Electric pumping equipment | 316 | 1,079,034 | 44,277 | 36,672 | 1,086,639 | 2.00% |
| Purification system | 320 | 586,961 | 28,150 | - | 615,111 | 2.00% |
| Transmission mains and accessories | 321 | 691,715 | 38,991 | - | 730,706 | 2.00% |
| Distribution mains and accessories | 322 | 4,773,769 | 282,408 | 83,805 | 4,972,372 | 2.00% |
| Services | 323 | 924,101 | 87,152 | 19,181 | 992,072 | 2.00% |
| Meters, meter boxes and signs | 324 | 532,828 | 159,862 | 32,120 | 660,570 | 3.00% |
| Hydrants | 325 | 659,078 | 84,809 | 12,348 | 731,539 | 2.00% |
| Office furniture and fixtures | 329 | 69,444 | 3,590 | - | 73,034 | 5.00% |
| Transportation equipment | 330 | 1,616,909 | 139,806 | 153,997 | 1,602,718 | 10.00% |
| Stores equipment | 331 | 11,478 | 249 | 1,000 | 10,727 | 5.00% |
| Laboratory equipment | 333 | 3,566 | 2,699 | - | 6,265 | 10.00% |
| Tools and work equipment | 334 | 14,782 | 3,768 | - | 18,550 | 8.00% |
| Communication equipment | 335 | 56,278 | 11,508 | - | 67,786 | 10.00% |
| Miscellaneous equipment | 336 | <u>1,126,967</u> | <u>99,119</u> | <u>-</u> | <u>1,226,086</u> | 20.00% |
| Total Water Plant in Service | | <u>15,702,216</u> | <u>1,269,112</u> | <u>339,123</u> | <u>16,632,205</u> | |
| SEWER PLANT IN SERVICE: | | | | | | |
| Structures and improvements | 312 | 9,232,057 | 1,497,720 | 15,094 | 10,714,683 | 2.00% |
| Transmission mains and accessories | 321 | 3,710,764 | 92,061 | 61 | 3,802,764 | 2.00% |
| Distribution mains and accessories | 322 | 6,048,426 | 456,610 | 74,414 | 6,430,622 | 2.00% |
| Services | 323 | <u>773,896</u> | <u>90,559</u> | <u>1,472</u> | <u>862,983</u> | 2.00% |
| Total Sewer Plant in Service | | <u>19,765,143</u> | <u>2,136,950</u> | <u>91,041</u> | <u>21,811,052</u> | |
| UTILITY PLANT ACQUISITION COSTS: | | | | | | |
| Excess of cost over engineer's valuation - amortized | | <u>123,569</u> | <u>-</u> | <u>-</u> | <u>123,569</u> | |
| TOTALS | | <u>\$ 35,590,928</u> | <u>\$ 3,406,062</u> | <u>\$ 430,164</u> | <u>\$ 38,566,826</u> | |
| (1) Charged to depreciation expense | | | \$ 3,266,256 | | | |
| Charged to clearing accounts | | | <u>139,806</u> | | | |
| Total Accruals | | | <u>\$ 3,406,062</u> | | | |
| (2) Accumulated depreciation of units retired | | | | \$ 311,582 | | |
| Add: | | | | | | |
| Removal cost (net of salvage in the amount of \$1,334) | | | | <u>118,582</u> | | |
| Total Retirements | | | | <u>\$ 430,164</u> | | |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|---|----------------------------|----------------------------|
| STORMWATER SYSTEM: | | |
| Salaries and related costs | \$ 442,117 | \$ 473,960 |
| Communications | 86 | 80 |
| Repairs and maintenance | 17,591 | 45,772 |
| Operating supplies | 2,092 | 1,665 |
| Materials – Asphalt, stone, pipe, etc. | 590 | 314 |
| Consumable tools | 4,720 | 2,806 |
| Fuels and lubricants | 5,653 | 16,857 |
| Uniforms | 2,572 | 1,174 |
| Insurance | 10,694 | 8,533 |
| Other expenses | <u>2,057</u> | <u>633</u> |
| Total Stormwater System | <u>488,172</u> | <u>551,794</u> |
| ADMINISTRATIVE AND GENERAL EXPENSES: | | |
| Uncollectible accounts | 1,440 | 1,440 |
| Administrative expenses | <u>75,043</u> | <u>70,276</u> |
| Total Administrative and General Expenses | <u>76,483</u> | <u>71,716</u> |
| ENGINEERING EXPENSES: | | |
| Salaries and related costs | 316,588 | 329,858 |
| Outside services | 23,129 | 36,281 |
| Repairs and maintenance | 1,553 | 2,512 |
| Operating supplies | 5,468 | 5,853 |
| Training | 554 | 229 |
| Fuels and lubricants | 1,866 | 2,590 |
| State inspection | 3,460 | 3,460 |
| Other professional services | 13,130 | 8,134 |
| Insurance | 2,048 | 1,565 |
| Other expenses | <u>3,045</u> | <u>7,665</u> |
| Total Engineering Expenses | <u>370,841</u> | <u>398,147</u> |
| OTHER OPERATING EXPENSES: | | |
| Depreciation of Utility Plant | <u>104,408</u> | <u>68,995</u> |
| Total Operating Expenses | <u>\$ 1,039,904</u> | <u>\$ 1,090,652</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF STORMWATER UTILITY CAPITAL ASSETS
June 30, 2015

| <u>Description</u> | <u>Account Number</u> | <u>Balance 7/1/14</u> | <u>Additions</u> | <u>Retirements and Other Decreases</u> | <u>Balance 6/30/15</u> |
|-------------------------------|---------------------------|----------------------------|--------------------------|--|----------------------------|
| STORMWATER PLANT IN SERVICE: | | | | | |
| Land and Land Rights | 311 | \$ 61,480 | \$ - | \$ - | \$ 61,480 |
| Drainage System | 320 | 1,986,912 | 714,338 | 205 | 2,701,045 |
| Transportation Equipment | 320 | 71,732 | 173,658 | - | 245,390 |
| Tools and Work Equipment | 334 | 16,025 | - | - | 16,025 |
| Computer Equipment | 335 | <u>5,481</u> | <u>-</u> | <u>-</u> | <u>5,481</u> |
| Total Stormwater Plant | | <u>\$ 2,141,630</u> | <u>\$ 887,996</u> | <u>\$ 205</u> | <u>\$ 3,029,421</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Stormwater Utility Department
SCHEDULE OF ACCUMULATED PROVISION FOR DEPRECIATION
June 30, 2015

| <u>Description</u> | <u>Account Number</u> | <u>Balance 7/1/14</u> | <u>Additions</u> | <u>Retirements and Other Decreases</u> | <u>Balance 6/30/15</u> | <u>Depreciation Rate</u> |
|---------------------------------|---------------------------|---------------------------|--------------------------|--|----------------------------|------------------------------|
| STORMWATER PLANT IN SERVICE: | | | | | | |
| Drainage System | 320 | \$ 143,932 | \$ 84,367 | \$ 205 | \$ 228,094 | 2.00% |
| Transportation Equipment | 330 | 36,508 | 17,891 | - | 54,399 | 10.00% |
| Tools and Work Equipment | 334 | 12,686 | 1,602 | - | 14,288 | 10.00% |
| Computer Equipment | 335 | 914 | 548 | - | 1,462 | 10.00% |
| Totals | | <u>\$ 194,040</u> | <u>\$ 104,408</u> | <u>\$ 205</u> | <u>\$ 298,243</u> | |
| Charged to Depreciation Expense | | | <u>\$ 104,408</u> | | | |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
SOLID WASTE MANAGEMENT
SCHEDULE OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015
With Comparative Totals for the Fiscal Year Ended June 30, 2014

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|------------------|------------------|
| Revenues | \$ 383,698 | \$ 383,464 |
| Expenditures: | | |
| Residential Collection: | | |
| Salaries and related costs | 495,661 | 628,744 |
| Publication of notices | 137 | 159 |
| Communication | 1,023 | 793 |
| Repair and maintenance – vehicles | 109,812 | 81,967 |
| Supplies | 1,970 | 3,472 |
| Motor fuels and lubricants | 36,279 | 45,022 |
| Repair parts – containers | - | 289 |
| Residential containers | 74,781 | 36,793 |
| Insurance | 8,769 | 9,107 |
| Vehicle licenses and titles | 91 | 157 |
| Professional services | 2,256 | 13,200 |
| Uniforms | 2,412 | 2,547 |
| Other expenditures | 868 | 3,642 |
| Total Residential Collection | <u>734,059</u> | <u>825,892</u> |
| Commercial Collection: | | |
| Salaries and related costs | 267,289 | 276,085 |
| Repair and maintenance – vehicles | 93,558 | 61,846 |
| Supplies | 1,166 | 2,614 |
| Refuse Container | 4,300 | 3,500 |
| Motor fuels and lubricants | 31,846 | 41,252 |
| Vehicle licenses and titles | 20 | 26 |
| Uniforms | 1,403 | - |
| Insurance | 5,087 | 4,370 |
| Other expenditures | 1,080 | 1,176 |
| Total Commercial Collection | <u>405,749</u> | <u>390,869</u> |
| Brush Collection: | | |
| Salaries and related costs | 535,783 | 477,549 |
| Communication | 582 | 322 |
| Repairs and maintenance – machinery | 79,702 | 98,180 |
| Supplies | 1,411 | 940 |
| Motor fuels and lubricants | 35,058 | 56,364 |
| Vehicle licenses and titles | - | 29 |
| Consumable tools | 258 | 110 |
| Uniforms | 2,732 | 2,247 |
| Insurance | 10,868 | 8,166 |
| Other expenditures | 675 | 768 |
| Total Brush Collection | <u>667,069</u> | <u>644,675</u> |
| Landfill Services: | | |
| Landfill fees | <u>981,921</u> | <u>948,806</u> |
| Total Expenditures | <u>2,788,798</u> | <u>2,810,242</u> |
| Expenditures in Excess of Revenues | \$ (2,405,100) | \$ (2,426,778) |

Excess expenditures are funded through property taxes levied by the City.

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
For the Fiscal Year Ended June 30, 2015

| <u>Program</u> | <u>Balance July 1, 2014</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers In (Out)</u> | <u>Balance June 30, 2015</u> |
|------------------------------|--|----------------------------|---------------------------|--------------------------------------|---|
| Police | \$ 9,264,962 | \$ 306,024 | \$ 172,312 | \$ - | \$ 9,398,674 |
| Fire | 7,490,162 | 87,247 | 23,777 | - | 7,553,632 |
| Animal Control | 204,830 | 22,874 | 15,432 | - | 212,272 |
| Code Enforcement | 35,187 | - | - | - | 35,187 |
| Public Works | 38,013,262 | 297,541 | 205,270 | - | 38,105,533 |
| Education | 94,566,366 | 2,798,418 | - | - | 97,364,784 |
| Engineering | 160,623 | - | - | - | 160,623 |
| Recreation and Parks | 3,232,972 | 5,069 | - | - | 3,238,041 |
| Administrative | 245,599 | - | - | - | 245,599 |
| Fleet Maintenance | 1,110,381 | - | 21,322 | - | 1,089,059 |
| Computer Information Systems | 524,682 | - | - | - | 524,682 |
| General Government | 13,238,969 | 18,256 | - | - | 13,257,225 |
| Non-departmental | <u>24,558,453</u> | <u>1,303,141</u> | <u>468,041</u> | <u>-</u> | <u>25,393,553</u> |
| Total | <u>\$192,646,448</u> | <u>\$ 4,838,570</u> | <u>\$ 906,154</u> | <u>\$ -</u> | <u>\$196,578,864</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule by Function and Activity
June 30, 2015
With Comparative Totals for the Year Ended June 30, 2014

| <u>Program</u> | <u>Land</u> | <u>Rights-of- Way/ Easements</u> | <u>Buildings</u> | <u>Infrastructure</u> | <u>Improvements</u> | <u>Equipment and Vehicles</u> | <u>Capital Lease Property</u> | <u>Construction in Progress</u> | <u>Total 2015</u> | <u>Totals 2014</u> |
|--|----------------------------|---|----------------------------|------------------------------|-----------------------------|--|--|--|------------------------------|-------------------------------|
| Police | \$ 120,180 | \$ - | \$ 5,351,615 | \$ - | \$ 8,271 | \$ 2,526,945 | \$ 1,391,663 | \$ - | \$ 9,398,674 | \$ 9,264,962 |
| Fire | - | - | 5,790,008 | - | 37,369 | 1,726,255 | - | - | 7,553,632 | 7,490,162 |
| Animal Control | - | - | 92,464 | - | 40,449 | 79,359 | - | - | 212,272 | 204,830 |
| Code Enforcement | - | - | - | - | - | 35,187 | - | - | 35,187 | 35,187 |
| Public Works | 753,563 | 69,375 | 140,440 | 18,831,280 | 12,325,593 | 5,985,282 | - | - | 38,105,533 | 38,013,262 |
| Education | 4,435,693 | 52,755 | 77,966,527 | - | 9,142,775 | 5,767,034 | - | - | 97,364,784 | 94,566,366 |
| Engineering | - | - | - | - | - | 160,623 | - | - | 160,623 | 160,623 |
| Recreation and Parks | 183,927 | - | 156,704 | - | 2,779,094 | 118,316 | - | - | 3,238,041 | 3,232,972 |
| Fleet Maintenance | - | - | 873,125 | - | - | 215,934 | - | - | 1,089,059 | 1,110,381 |
| Computer Information Systems | - | - | - | - | - | 524,682 | - | - | 524,682 | 524,682 |
| Administrative | - | - | - | - | - | 245,599 | - | - | 245,599 | 245,599 |
| General Government | 209,440 | - | 10,633,175 | - | 675,486 | 1,739,124 | - | - | 13,257,225 | 13,238,969 |
| Non-departmental | <u>977,648</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>55,099</u> | <u>-</u> | <u>23,075,000</u> | <u>1,285,806</u> | <u>25,393,553</u> | <u>24,558,453</u> |
| Subtotal | 6,680,451 | 122,130 | 101,004,058 | 18,831,280 | 25,064,136 | 19,124,340 | 24,466,663 | 1,285,806 | 196,578,864 | 192,646,448 |
| Less: Accumulated Depreciation | <u>-</u> | <u>-</u> | <u>27,576,604</u> | <u>10,269,585</u> | <u>6,401,786</u> | <u>12,095,507</u> | <u>5,433,539</u> | <u>-</u> | <u>61,777,021</u> | <u>56,529,294</u> |
| Total Governmental Funds – Capital Assets | <u>\$ 6,680,451</u> | <u>\$ 122,130</u> | <u>\$73,427,454</u> | <u>\$ 8,561,695</u> | <u>\$ 18,662,350</u> | <u>\$ 7,028,833</u> | <u>\$ 19,033,124</u> | <u>\$ 1,285,806</u> | <u>\$ 134,801,843</u> | <u>\$ 136,117,154</u> |

See accompanying independent auditors' report.

CITY OF MARYVILLE, TENNESSEE

MISCELLANEOUS SCHEDULES

June 30, 2015

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INVESTMENTS – ALL FUNDS
June 30, 2015

| <u>Description</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Recorded Value* June 30, 2015</u> |
|--|--------------------------|---------------------------|--|
| Tennessee Local Government Investment Pool | Variable | N/A | \$ 34,134,094 |
| U.S. Treasury Note (6 issues) | 0.25% - 0.75% | 12/15/2015- 03/15/2017 | 2,753,952 |
| Federal Home Loan Mortgage Corporation | 0.87% | 10/14/2016 | 502,800 |
| Blount County, Tennessee Municipal Bond | 0.55% | 06/01/2016 | 500,410 |
| Certificates of Deposit (11 issues) | 0.60% – .80% | 07/22/2015- 12/31/2015 | <u>2,754,107</u> |
| Total Investments | | | <u>\$ 40,645,363</u> |
| SUMMARY OF INVESTMENTS BY FUND TYPE: | | | |
| General Fund | | | \$ 6,157,457 |
| Debt Service Fund | | | 8,025,226 |
| Special Revenue Funds | | | 9,594,502 |
| Capital Projects Funds | | | 1,516,710 |
| Enterprise Funds | | | <u>15,351,468</u> |
| Total Investments | | | <u>\$ 40,645,363</u> |

*Investments having a remaining maturity at time of purchase of one (1) year or less are recorded at amortized cost. All others are recorded at fair value.

CITY OF MARYVILLE, TENNESSEE
COMBINED SCHEDULE OF CHANGES IN NOTES PAYABLE
For the Fiscal Year Ended June 30, 2015

| | <u>Date of Note</u> | <u>Due Date</u> | <u>Interest Rate</u> | <u>Balance 7-1-2014</u> | <u>Notes Issued Y/E 6-30-15</u> | <u>Notes Paid Y/E 6-30-15</u> | <u>Balance 6-30-2015</u> | <u>Source of Revenue</u> |
|--|-------------------------|---------------------|--------------------------|-----------------------------|---|-----------------------------------|------------------------------|---------------------------------------|
| Enterprise Funds | | | | | | | | |
| Water and Sewer Department: | | | | | | | | |
| Tennessee Revolving Fund | 10/26/2009 | 06/01/2031 | 2.09% | \$ 2,015,856 | \$ - | \$ 100,068 | \$ 1,915,788 | Water and Sewer revenue |
| Governmental Funds | | | | | | | | |
| Capital Projects Funds: | | | | | | | | |
| Blount County, Tennessee Local Government Public | | | | | | | | |
| Improvement Bond Financing Program (2006 Series) | 06/29/2006 | 06/01/2017 | Variable | 675,000 | - | 210,000 | 465,000 | General Fund |
| Blount County, Tennessee Local Government Public | | | | | | | | |
| Improvement Bond Financing Program (2010 Series) | 06/20/2010 | 06/01/2023 | 3% - 4.25% | 2,045,000 | - | 185,000 | 1,860,000 | Industrial Development Fund |
| Tennessee State School Bond Authority Note | 12/01/2009 | 09/01/2026 | 1.515% | <u>14,144,946</u> | <u>-</u> | <u>1,168,098</u> | <u>12,976,848</u> | Qualified School Construction Fund |
| Total Governmental Funds | | | | <u>16,864,946</u> | <u>-</u> | <u>1,563,098</u> | <u>15,301,848</u> | |
| Total | | | | <u>\$ 18,880,802</u> | <u>\$ -</u> | <u>\$ 1,663,166</u> | <u>\$ 17,217,636</u> | |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR
June 30, 2015

| Fiscal Year Ending June 30 | Total Requirements | 2007 | | 2008 | | 2008 | | 2008 | |
|-------------------------------------|-----------------------|-------------------|-------------------|------------------|-----------------|-------------------|------------------|------------------|-----------------|
| | | Electric System | | Water and Sewer | | Water and Sewer | | Water and Sewer | |
| | | Revenue | | Revenue and Tax | | Revenue and Tax | | Revenue and Tax | |
| | | Bonds | | Bonds - Series A | | Bonds - Series A | | Bonds - Series B | |
| | | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> |
| 2016 | \$ 7,710,905 | \$ 3,680,000 | \$ 4,030,905 | \$ 245,000 | \$ 65,200 | \$ 250,000 | \$ 1,519,750 | \$ 190,000 | \$ 143,575 |
| 2017 | 7,720,298 | 3,840,000 | 3,880,298 | 255,000 | 55,400 | 250,000 | 1,507,250 | 200,000 | 134,075 |
| 2018 | 7,735,306 | 4,025,000 | 3,710,306 | 265,000 | 45,200 | 250,000 | 1,494,750 | 210,000 | 124,075 |
| 2019 | 7,792,764 | 4,255,000 | 3,537,764 | 275,000 | 34,600 | 250,000 | 1,482,250 | 215,000 | 113,575 |
| 2020 | <u>7,995,587</u> | <u>4,645,000</u> | <u>3,350,587</u> | <u>290,000</u> | <u>23,600</u> | <u>250,000</u> | <u>1,469,750</u> | <u>225,000</u> | <u>102,825</u> |
| Subtotal | <u>38,954,860</u> | <u>20,445,000</u> | <u>18,509,860</u> | <u>1,330,000</u> | <u>224,000</u> | <u>1,250,000</u> | <u>7,473,750</u> | <u>1,040,000</u> | <u>618,125</u> |
| | | | | | | | | | |
| 2021 | 8,075,763 | 4,915,000 | 3,160,763 | 300,000 | 12,000 | 250,000 | 1,459,750 | 235,000 | 93,825 |
| 2022 | 7,416,412 | 4,490,000 | 2,926,412 | - | - | 250,000 | 1,449,750 | 245,000 | 84,425 |
| 2023 | 7,023,200 | 4,275,000 | 2,748,200 | - | - | 1,300,000 | 1,439,750 | 260,000 | 74,625 |
| 2024 | 7,759,250 | 5,185,000 | 2,574,250 | - | - | 1,400,000 | 1,384,500 | 270,000 | 63,575 |
| 2025 | <u>6,855,762</u> | <u>4,490,000</u> | <u>2,365,762</u> | <u>-</u> | <u>-</u> | <u>1,450,000</u> | <u>1,326,750</u> | <u>280,000</u> | <u>52,437</u> |
| Subtotal | <u>37,130,387</u> | <u>23,355,000</u> | <u>13,775,387</u> | <u>300,000</u> | <u>12,000</u> | <u>4,650,000</u> | <u>7,060,500</u> | <u>1,290,000</u> | <u>368,887</u> |
| | | | | | | | | | |
| 2026 | 5,927,863 | 3,745,000 | 2,182,863 | - | - | 1,500,000 | 1,265,125 | 295,000 | 40,538 |
| 2027 | 5,973,575 | 3,945,000 | 2,028,575 | - | - | 1,600,000 | 1,201,375 | 315,000 | 28,000 |
| 2028 | 6,023,594 | 4,160,000 | 1,863,594 | - | - | 1,700,000 | 1,131,375 | 325,000 | 14,219 |
| 2029 | 5,829,600 | 4,140,000 | 1,689,600 | - | - | 1,800,000 | 1,057,000 | - | - |
| 2030 | <u>6,446,300</u> | <u>4,930,000</u> | <u>1,516,300</u> | <u>-</u> | <u>-</u> | <u>1,900,000</u> | <u>976,000</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>30,200,932</u> | <u>20,920,000</u> | <u>9,280,932</u> | <u>-</u> | <u>-</u> | <u>8,500,000</u> | <u>5,630,875</u> | <u>935,000</u> | <u>82,757</u> |
| | | | | | | | | | |
| 2031 | 6,978,500 | 5,650,000 | 1,328,500 | - | - | 2,000,000 | 890,500 | - | - |
| 2032 | 6,997,500 | 5,900,000 | 1,097,500 | - | - | 2,100,000 | 800,500 | - | - |
| 2033 | 5,506,000 | 4,650,000 | 856,000 | - | - | 2,200,000 | 706,000 | - | - |
| 2034 | 5,070,500 | 4,390,000 | 680,500 | - | - | 2,300,000 | 607,000 | - | - |
| 2035 | <u>3,274,300</u> | <u>2,760,000</u> | <u>514,300</u> | <u>-</u> | <u>-</u> | <u>2,400,000</u> | <u>503,500</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>27,826,800</u> | <u>23,350,000</u> | <u>4,476,800</u> | <u>-</u> | <u>-</u> | <u>11,000,000</u> | <u>3,507,500</u> | <u>-</u> | <u>-</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2015

| Fiscal Year Ending June 30 | Total Requirements | 2007 | | 2008 | | 2008 | | 2008 | |
|-------------------------------------|-----------------------|----------------------|----------------------|---------------------|-------------------|----------------------|----------------------|---------------------|---------------------|
| | | Electric System | | Water and Sewer | | Water and Sewer | | Water and Sewer | |
| | | Revenue | | Revenue and Tax | | Revenue and Tax | | Revenue and Tax | |
| | | Bonds | | Bonds - Series A | | Bonds - Series B | | Bonds - Series B | |
| | | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> |
| 2036 | 2,892,500 | 2,500,000 | 392,500 | - | - | 2,500,000 | 392,500 | - | - |
| 2037 | 2,867,500 | 2,600,000 | 267,500 | - | - | 2,600,000 | 267,500 | - | - |
| 2038 | <u>2,887,500</u> | <u>2,750,000</u> | <u>137,500</u> | <u>-</u> | <u>-</u> | <u>2,750,000</u> | <u>137,500</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>8,647,500</u> | <u>7,850,000</u> | <u>797,500</u> | <u>-</u> | <u>-</u> | <u>7,850,000</u> | <u>797,500</u> | <u>-</u> | <u>-</u> |
| Totals | <u>\$ 142,760,479</u> | <u>\$ 95,920,000</u> | <u>\$ 46,840,479</u> | <u>\$ 1,630,000</u> | <u>\$ 236,000</u> | <u>\$ 33,250,000</u> | <u>\$ 24,470,125</u> | <u>\$ 3,265,000</u> | <u>\$ 1,069,769</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2015

| Fiscal Year Ending <u>June 30</u> | 2008 General Obligation Refunding Bonds | | 2009 Local Government Public Improvement Bonds | | 2009 General Obligations Refunding Bonds Series A | | 2009 General Obligation Refunding Bonds Series B | | 2009 General Obligation Refunding Bonds Series C | |
|--|---|-----------------|---|-----------------|--|-----------------|---|------------------|---|-----------------|
| | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> |
| | | | | | | | | | | |
| 2016 | \$ 1,470,000 | \$ 264,000 | \$ - | \$ 168,750 | \$ 1,290,000 | \$ 164,525 | \$ - | \$ 693,100 | \$ 80,000 | \$ 105,980 |
| 2017 | 1,390,000 | 190,500 | - | 168,750 | 1,325,000 | 125,825 | - | 693,100 | 260,000 | 102,860 |
| 2018 | 660,000 | 121,000 | - | 168,750 | 1,680,000 | 72,825 | 375,000 | 693,100 | 420,000 | 92,069 |
| 2019 | 705,000 | 88,002 | - | 168,750 | 180,000 | 5,625 | 825,000 | 677,162 | 1,640,000 | 73,800 |
| 2020 | <u>735,000</u> | <u>54,512</u> | <u>-</u> | <u>168,750</u> | <u>-</u> | <u>-</u> | <u>2,975,000</u> | <u>642,100</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>4,960,000</u> | <u>718,014</u> | <u>-</u> | <u>843,750</u> | <u>4,475,000</u> | <u>368,800</u> | <u>4,175,000</u> | <u>3,398,562</u> | <u>2,400,000</u> | <u>374,709</u> |
| 2021 | 400,000 | 19,600 | - | 168,750 | - | - | 3,550,000 | 523,100 | - | - |
| 2022 | - | - | - | 168,750 | - | - | 3,810,000 | 345,600 | - | - |
| 2023 | - | - | - | 168,750 | - | - | 2,525,000 | 193,200 | - | - |
| 2024 | - | - | - | 168,750 | - | - | 2,305,000 | 92,200 | - | - |
| 2025 | <u>-</u> | <u>-</u> | <u>-</u> | <u>168,750</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>400,000</u> | <u>19,600</u> | <u>-</u> | <u>843,750</u> | <u>-</u> | <u>-</u> | <u>12,190,000</u> | <u>1,154,100</u> | <u>-</u> | <u>-</u> |
| 2026 | - | - | - | 168,750 | - | - | - | - | - | - |
| 2027 | - | - | - | 168,750 | - | - | - | - | - | - |
| 2028 | - | - | - | 168,750 | - | - | - | - | - | - |
| 2029 | - | - | - | 168,750 | - | - | - | - | - | - |
| 2030 | <u>-</u> | <u>-</u> | <u>-</u> | <u>168,750</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>843,750</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 2031 | - | - | 1,575,000 | 168,750 | - | - | - | - | - | - |
| 2032 | - | - | 1,650,000 | 90,000 | - | - | - | - | - | - |
| 2033 | - | - | 150,000 | 7,500 | - | - | - | - | - | - |
| 2034 | - | - | - | - | - | - | - | - | - | - |
| 2035 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>3,375,000</u> | <u>266,250</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2015

| Fiscal Year Ending June 30 | 2008 General Obligation Refunding Bonds | | 2009 Local Government Public Improvement Bonds | | 2009 General Obligation Refunding Bonds Series A | | 2009 General Obligation Refunding Bonds Series B | | 2009 General Obligation Refunding Bonds Series C | |
|-------------------------------------|---|-------------------|---|---------------------|---|-------------------|---|---------------------|---|-------------------|
| | Bond | Interest | Bond | Interest | Bond | Interest | Bond | Interest | Bond | Interest |
| | | | | | | | | | | |
| 2036 | - | - | - | - | - | - | - | - | - | - |
| 2037 | - | - | - | - | - | - | - | - | - | - |
| 2038 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - | - | - | - | - |
| Totals | <u>\$ 5,360,000</u> | <u>\$ 737,614</u> | <u>\$ 3,375,000</u> | <u>\$ 2,797,500</u> | <u>\$ 4,475,000</u> | <u>\$ 368,800</u> | <u>\$ 16,365,000</u> | <u>\$ 4,552,662</u> | <u>\$ 2,400,000</u> | <u>\$ 374,709</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2015

| Fiscal Year Ending June 30 | 2010 | | 2010 | | 2015 | |
|-------------------------------------|--------------------------|-----------------|---------------------------------------|------------------|---------------------------------------|------------------|
| | General Obligation Bonds | | General Obligation Refunding Bonds | | General Obligation Refunding Bonds | |
| | Series A | | Series B | | Refunding Bonds | |
| | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> |
| 2016 | \$ 155,000 | \$ 54,975 | \$ - | \$ 555,400 | \$ - | \$ 295,650 |
| 2017 | 160,000 | 51,488 | - | 555,400 | - | 295,650 |
| 2018 | 165,000 | 47,487 | - | 555,400 | - | 295,650 |
| 2019 | 165,000 | 42,950 | - | 555,400 | - | 295,650 |
| 2020 | <u>170,000</u> | <u>38,000</u> | <u>-</u> | <u>555,400</u> | <u>-</u> | <u>295,650</u> |
| Subtotal | <u>815,000</u> | <u>234,900</u> | <u>-</u> | <u>2,777,000</u> | <u>-</u> | <u>1,478,250</u> |
| 2021 | 180,000 | 32,688 | - | 555,400 | - | 295,650 |
| 2022 | 185,000 | 26,837 | - | 555,400 | - | 295,650 |
| 2023 | 190,000 | 20,825 | - | 555,400 | - | 295,650 |
| 2024 | 200,000 | 14,175 | 1,010,000 | 555,400 | - | 295,650 |
| 2025 | <u>205,000</u> | <u>7,175</u> | <u>2,555,000</u> | <u>515,000</u> | <u>-</u> | <u>295,650</u> |
| Subtotal | <u>960,000</u> | <u>101,700</u> | <u>3,565,000</u> | <u>2,736,600</u> | <u>-</u> | <u>1,478,250</u> |
| 2026 | - | - | 1,950,000 | 412,800 | - | 295,650 |
| 2027 | - | - | 2,030,000 | 334,800 | - | 295,650 |
| 2028 | - | - | 2,135,000 | 253,600 | - | 295,650 |
| 2029 | - | - | 2,210,000 | 168,200 | 130,000 | 295,650 |
| 2030 | <u>-</u> | <u>-</u> | <u>2,280,000</u> | <u>79,800</u> | <u>750,000</u> | <u>291,750</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>10,605,000</u> | <u>1,249,200</u> | <u>880,000</u> | <u>1,474,350</u> |
| 2031 | - | - | - | - | 2,075,000 | 269,250 |
| 2032 | - | - | - | - | 2,150,000 | 207,000 |
| 2033 | - | - | - | - | 2,300,000 | 142,500 |
| 2034 | - | - | - | - | 2,090,000 | 73,500 |
| 2035 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>360,000</u> | <u>10,800</u> |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,975,000</u> | <u>703,050</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)
June 30, 2015

| Fiscal Year Ending June 30 | 2010 | | 2010 | | 2015 | |
|-------------------------------------|--------------------------|-------------------|---------------------------------------|---------------------|---------------------------------------|---------------------|
| | General Obligation Bonds | | General Obligation Refunding Bonds | | General Obligation Refunding Bonds | |
| | Series A | | Series B | | | |
| | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> | <u>Bond</u> | <u>Interest</u> |
| 2036 | - | - | - | - | - | - |
| 2037 | - | - | - | - | - | - |
| 2038 | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Totals | <u>\$ 1,775,000</u> | <u>\$ 336,600</u> | <u>\$ 14,170,000</u> | <u>\$ 6,762,800</u> | <u>\$ 9,855,000</u> | <u>\$ 5,133,900</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INTERFUND TRANSFERS – ALL FUNDS
For the Fiscal Year Ended June 30, 2015

| <u>Transfers To:</u> | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Special Revenue Funds</u> | | | <u>Capital Projects Funds</u> | | <u>Enterprise Fund</u> | | <u>Total Interfund Transfers</u> |
|----------------------------------|----------------------------|----------------------------|------------------------------------|---------------------------|---|--|------------------------------|-----------------------------------|--------------------------|----------------------------------|
| | | | <u>General Purpose School Fund</u> | <u>General Grant Fund</u> | <u>Geographic Information System Fund</u> | <u>Central Traffic Operations Fund</u> | <u>Capital Projects Fund</u> | <u>Equipment Replacement Fund</u> | <u>Stormwater Fund</u> | |
| Transfers From: | | | | | | | | | | |
| General Fund | \$ - | \$ 4,905,000 | \$ 9,222,500 | \$ 278,480 | \$ 31,124 | \$ 66,590 | \$ 510,000 | \$ 459,000 | \$ 300,000 | \$ 15,772,694 |
| Enterprise Funds: | | | | | | | | | | |
| Electric Department | 992,740 | - | - | - | - | - | - | - | - | 992,740 |
| Water and Sewer Department | <u>499,574</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>499,574</u> |
| Total Interfund Transfers | <u>\$ 1,492,314</u> | <u>\$ 4,905,000</u> | <u>\$ 9,222,500</u> | <u>\$ 278,480</u> | <u>\$ 31,124</u> | <u>\$ 66,590</u> | <u>\$ 510,000</u> | <u>\$ 459,000</u> | <u>\$ 300,000</u> | <u>\$ 17,265,008</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF SALARIES AND SURETY BONDS OF PRINCIPAL OFFICERS
June 30, 2015

| <u>Title</u> | <u>Name</u> | <u>Annual Salary</u> | <u>Amount of Bond</u> |
|--|-----------------------|--------------------------|---------------------------|
| Mayor | Tom Taylor | \$ 600 | * |
| Councilmen | Tommy Hunt | 300 | |
| | Fred Metz | 300 | |
| | Joe Swann | 300 | |
| | Andy White | 300 | |
| City Judge | William D. Yarborough | 10,800 | * |
| City Juvenile Judge | Betsy Smith | 10,000 | |
| Assistant City Judge | Michael Fox | 2,400 | |
| City Attorney | David Black | 110,400(1) | * |
| City Manager | Greg McClain | 134,640 | * |
| Assistant City Manager | Roger D. Campbell | 120,018 | * |
| Management & Budget | Kristine Tallent | 103,537 | |
| Director of Financial Services | Deborah Caughron | 103,537 | \$ 738,000 |
| Director of Engineering and Public Works | Angela Luckie | 103,537 | * |
| Public Utility Director | Baron Swafford | 120,018 | * |
| Director of Human Resources | Teresa Best | 103,537 | * |
| Public Safety Director | Tony Crisp | 120,018 | * |
| Director of Information Technology | Terry McCoy | 103,537 | * |
| Director of Development Services | John Jagger | 96,150 | |

* Covered by blanket fidelity bond in the amount of \$50,000

(1) Per contractual agreement

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
June 30, 2015

| <u>Coverage</u> | <u>Coverage Period</u> | <u>Hazard Insured Against</u> | <u>Amount of Coverage</u> | |
|---------------------------------------|--------------------------|-------------------------------------|---------------------------|--|
| Buildings and Personal Property | 07/01/2012 to 07/01/2015 | Property Damage | \$20,435,271 | – Municipal Building |
| | | | 668,265 | – Fire Station (Sequoyah Avenue) |
| | | | 791,176 | – Fire Station (Sandy Springs Road) |
| | | | 207,607 | – Animal Shelter |
| | | | 16,345,120 | – Seven (7) Electrical Distribution Stations |
| | | | 60,939,146 | – Wastewater Treatment Plant (Wheeler Road) |
| | | | 17,455,451 | – Water Plant (Highway 411 North) |
| | | | 9,358,807 | – Seven (7) Water Tanks |
| | | | 9530,167 | – Operations Center, Fleet Maintenance Center, Storage Sheds, Pump Station Buildings, and Wash Bay |
| | | | 138,404 | – Wastewater Treatment Plant Maintenance Building |
| | | | 11,521,630 | – Sewer Lift Stations |
| | | | 1,859,160 | – Raw Water Intake Pumping Station |
| | | | 568,077 | – Sharp Lane Building |
| | | | 482,122 | – Pool Building and Concession Stands |
| | | | 5,332,000 | – Personal Property at Above Locations |
| | | | 1,216,774 | – Data Processing Equipment |
| | | | 1,492,910 | – Mobile Equipment |
| | | | 2,210,335 | – Water Booster Stations (7) |
| | | | 232,395 | – Fuel System |
| | | | 1,606,108 | – Swimming Pool |
| | | | 380,095 | – Amphitheatre |
| | | | 361,772 | – Park Pavilions and Restroom Facilities |
| | | | 343,365 | – Wetland Facility |
| Crime | 07/01/2012 to 07/01/2015 | Employee Dishonesty | 150,000 | per occurrence |
| | | Forgery or Alteration | 150,000 | per occurrence |
| | | Theft, Destruction or Disappearance | 150,000 | per occurrence |
| | | Computer Fraud | 150,000 | per occurrence |
| Finance Director's Bond | 12/01/2014 to 12/01/2015 | Crime | 738,000 | |
| Liability | 12/31/2012 to 12/31/2015 | Errors or Omissions | 1,000,000 | per occurrence (\$10,000 deductible) |
| General and Personal Injury Liability | 12/31/2012 to 12/31/2015 | Bodily Injury or Personal Injury | 300,000 | per person |
| | | Property Damage | 700,000 | per occurrence |
| | | Other Losses | 100,000 | per occurrence |
| | | Catastrophic Medical Expenses | 1,000,000 | per occurrence |
| | | Medical Payments | 1,000 | per person |
| | | | 10,000 | per accident |
| | | Fire Damage | 100,000 | per occurrence |
| | | Impounded Property | 100,000 | per occurrence |
| | | Non-Monetary Defense | 100,000 | per occurrence |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE (Continued)
June 30, 2015

| <u>Coverage</u> | <u>Coverage Period</u> | <u>Hazard Insured Against</u> | <u>Amount of Coverage</u> | |
|---|--------------------------|------------------------------------|---|------------------------------------|
| Automobile Liability and Physical Damage | 12/31/2012 to 12/31/2015 | Bodily Injury | 300,000 | per person |
| | | | 700,000 | per occurrence |
| | | Property Damage | 100,000 | per occurrence |
| | | Other Losses | 1,000,000 | per occurrence |
| | | Catastrophic Medical Expenses | 1,000,000 | per occurrence |
| | | Medical Payments | 1,000 | per person |
| | | | 10,000 | per accident |
| | | Uninsured Motorists | 300,000 | per occurrence for bodily injury |
| | | | 100,000 | per occurrence for property damage |
| | | Collision/ Comprehensive Damages | Various coverages depending on value of vehicle | |
| Employer's Liability and Workmen's Compensation | 11/01/2013 to 11/01/2016 | Employee Bodily Injury by Accident | 300,000 | per occurrence |
| | | Employee Bodily Injury by Disease | 300,000 | per employee |
| | | | 700,000 | policy limit |

June 30, 2015

(Continued)

CITY OF MARYVILLE, TENNESSEE
GENERAL PURPOSE SCHOOL FUND – SPECIAL REVENUE FUND
SCHEDULE OF INSURANCE IN FORCE (Continued)
June 30, 2015

| <u>Coverage</u> | <u>Coverage Period</u> | <u>Hazard Insured Against</u> | <u>Amount of Coverage</u> |
|--|-----------------------------|--|---------------------------|
| Student Athletic and Intramural Injuries | 08/01/2014 to 08/01/2015 | Athlete Bodily Injury | \$250,000 per person |
| Employer's Liability and Workmen's Compensation | 12/31/2013 to 09/01/2016 | Employee Bodily Injury | \$300,000 per employee |
| Crime | 12/31/2013 to 12/31/2016 | Employee Dishonesty | \$100,000 per occurrence |
| | | Forgery or Alteration | 100,000 per occurrence |
| | | Theft, destruction or Disappearance | 100,000 per occurrence |
| | | Computer Fraud | 100,000 per occurrence |

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES – ENTERPRISE FUND
Electric Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2015

The basic utility rates in force as of June 30, 2015, are as follows:

I. Residential Rates:

Customer Charge: \$8.62 per month less \$1.71 hydro allocation credit
Energy Charge: 8.993 cents per kWh

II General Power Rates:

Usage Under 50 KW and/or KWH Usage Under 15,000:

Customer Charge: \$16.06 per month
Energy Charge: 9.878 cents per KWH

Usage Over 50 KW But Not More Than 1,000 KW and/or KWH Usage Equal to or Greater Than 15,000:

Customer Charge: \$53.50 per delivery point per month
Demand Charge: First 50 KW - No Charge
Over 50 KW - \$12.51 per KW
Energy Charge: First 15,000 KWH – 10.395 cents per KWH
Over 15,000 KWH - 6.267 cents per KWH

Usage Over 1,000 KW:

Customer Charge: \$160.57 per delivery point per month
Demand Charge: First 1,000 kW - \$12.71 per KW
Additional KW - \$13.99 per KW
Energy Charge: 6.263 cents per KWH

Usage Over 5,000 KW But Not More Than 15,000 KW:

Various demand and energy charges in effect
depending upon several factors including on
peak and off peak usage.

III. Customers served as of June 30, 2015, are as follows:

| | |
|---------------------|--------------|
| Residential | 17,957 |
| General Power | 2,864 |
| Street and athletic | 108 |
| Outdoor lighting | <u>1,220</u> |

| | |
|------------------------|-----------------------------|
| Total Customers | <u><u>22,149</u></u> |
|------------------------|-----------------------------|

IV. Units of Power Purchased and Sold:

| | |
|--------------------------|-------------|
| Kilowatt–hours purchased | 786,445,003 |
| Kilowatt-hours sold | 764,571,163 |
| Line losses | 21,873,840 |

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2015

I. The basic utility rates in force as of June 30, 2015, are as follows:

Water Service

| <u>Rates per gallons for all water used:</u> | <u>Inside City</u> | <u>Outside City</u> |
|--|--------------------|---------------------|
| First 1,500 gallons or less | \$ 9.05 min. bill | \$12.34 min. bill |
| Next 3,500 gallons @ | 3.40 per M | 5.11 per M |
| Next 5,000 gallons @ | 3.09 per M | 4.62 per M |
| Next 20,000 gallons @ | 2.91 per M | 4.40 per M |
| Next 20,000 gallons @ | 2.81 per M | 4.21 per M |
| Next 50,000 gallons @ | 2.67 per M | 4.00 per M |
| Additional gallons @ | 2.54 per M | 3.79 per M |

Private Fire Sprinkler Line Service

| <u>Line Size</u> | <u>Monthly Charge</u> |
|------------------|-----------------------|
| 5/8" | \$ 4.78 |
| 1" | 6.81 |
| 2" | 11.66 |
| 4" | 18.60 |
| 6" | 27.87 |
| 8" | 41.85 |
| 10" | 59.60 |
| 12" | 94.17 |

Water Tap Fees

Line Size

| | |
|------|-----------|
| 5/8" | \$ 519.00 |
| 1" | 928.00 |
| 2" | 4,000.00 |

Above 2" – fee based on estimate of costs to install.

Sewage Service

| <u>Location</u> | Charge per 1,000 Gallons Of Metered <u>Water</u> | Customer <u>Charge</u> |
|--------------------------------|---|---------------------------|
| Inside City (Residential) | \$ 4.16 | \$ 7.82 |
| Outside City (Residential) | 6.23 | 10.53 |
| Inside City (Non-residential) | 4.77 | 7.82 |
| Outside City (Non-residential) | 7.10 | 10.53 |

(Continued)

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
SCHEDULE OF UTILITY STATISTICS (Continued)
For the Fiscal Year Ended June 30, 2015

Flat Rate Sewer Service Charges

| <u>Inside City</u> | <u>Outside City</u> |
|--|---|
| \$25.29 per month for single family dwellings; for multi-family dwellings, monthly charge is \$7.82 plus \$19.69 for each dwelling unit. | \$36.15 per month for single family dwellings, for multi-family dwellings, monthly charge is \$10.53 plus \$29.55 for each dwelling unit. |

Sewer Tap Fees

| | |
|---|-----------|
| City Installs Sewer Tap | \$ 837.00 |
| Customer Exposes Existing Tap | 141.00 |
| Sewer Line Extension Charge | At Cost |
| Sewer Line Extension surcharged within Westwood | 3,116.00 |

II. Customers Served as of June 30, 2015

| | |
|---------------|--------|
| Water service | 15,514 |
| Sewer service | 13,599 |

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
AWWA WLCC Free Water Audit
For the Fiscal Year Ended June 30, 2015

| B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|----|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | AWWA Free Water Audit Software: | | | | | | | | | | | | | |
| | Reporting Worksheet | | | | | | | | | | | | | |
| | WAS v5.0 American Water Works Association Copyright © 2014, All Rights Reserved. | | | | | | | | | | | | | |
| 2 | Water Audit Report for: <u>City of Maryville (TN0000438)</u> | | | | | | | | | | | | | |
| 3 | Reporting Year: <u>2015</u> <u>7/2014 - 6/2015</u> | | | | | | | | | | | | | |
| 7 | Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades | | | | | | | | | | | | | |
| 9 | All volumes to be entered as: MILLION GALLONS (US) PER YEAR | | | | | | | | | | | | | |
| 12 | To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it. | | | | | | | | | | | | | |
| 13 | WATER SUPPLIED | | | | | | | | | | | | | |
| 15 | <div style="display: flex; justify-content: space-between;"> <div> Volume from own sources: + ? <u>8</u> <u>1,452,776</u> MG/Yr Water Imported: + ? <u>10</u> <u>0.000</u> MG/Yr Water exported: + ? <u>10</u> <u>0.000</u> MG/Yr </div> <div> Master Meter and Supply Error Adjustments Enter grading in column 'E' and 'J' -----> </div> <div> Pont: <u>9</u> <u>-2.64%</u> Value: <u>0</u> MG/Yr Pont: <u>7</u> <u>-0.25%</u> Value: <u>0</u> MG/Yr </div> </div> | | | | | | | | | | | | | |
| 19 | WATER SUPPLIED: <u>1,492,169</u> MG/Yr | | | | | | | | | | | | | |
| 22 | AUTHORIZED CONSUMPTION | | | | | | | | | | | | | |
| 23 | Billed metered: + ? <u>7</u> <u>1,169,617</u> MG/Yr Billed unmetered: + ? <u>10</u> <u>1,000</u> MG/Yr Unbilled metered: + ? <u>n/a</u> <u>0</u> MG/Yr Unbilled unmetered: + ? <u>7</u> <u>28,334</u> MG/Yr | | | | | | | | | | | | | |
| 28 | Unbilled Unmetered volume entered is greater than the recommended default value | | | | | | | | | | | | | |
| 30 | AUTHORIZED CONSUMPTION: <u>1,198,951</u> MG/Yr | | | | | | | | | | | | | |
| 35 | WATER LOSSES (Water Supplied - Authorized Consumption) <u>293,218</u> MG/Yr | | | | | | | | | | | | | |
| 37 | Apparent Losses | | | | | | | | | | | | | |
| 38 | Unauthorized consumption: + ? <u>7</u> <u>3,730</u> MG/Yr | | | | | | | | | | | | | |
| 40 | Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed | | | | | | | | | | | | | |
| 42 | Customer metering inaccuracies: + ? <u>7</u> <u>-2,451</u> MG/Yr | | | | | | | | | | | | | |
| 43 | Systematic data handling errors: + ? <u>7</u> <u>2,924</u> MG/Yr | | | | | | | | | | | | | |
| 45 | Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed | | | | | | | | | | | | | |
| 47 | Apparent Losses: <u>4,203</u> MG/Yr | | | | | | | | | | | | | |
| 51 | Real Losses (Current Annual Real Losses or CARL) | | | | | | | | | | | | | |
| 52 | Real Losses = Water Losses - Apparent Losses: <u>289,015</u> MG/Yr | | | | | | | | | | | | | |
| 54 | WATER LOSSES: <u>293,218</u> MG/Yr | | | | | | | | | | | | | |
| 57 | NON-REVENUE WATER | | | | | | | | | | | | | |
| 58 | NON-REVENUE WATER: <u>321,553</u> MG/Yr | | | | | | | | | | | | | |
| 59 | = Water Losses + Unbilled Metered + Unbilled Unmetered | | | | | | | | | | | | | |
| 60 | SYSTEM DATA | | | | | | | | | | | | | |
| 62 | Length of mains: + ? <u>7</u> <u>288.0</u> miles | | | | | | | | | | | | | |
| 63 | Number of active AND inactive service connections: + ? <u>9</u> <u>15,772</u> | | | | | | | | | | | | | |
| 64 | Service connection density: <u>?</u> <u>55</u> conn./mile main | | | | | | | | | | | | | |
| 66 | Are customer meters typically located at the curbstop or property line? <u>Yes</u> (length of service line, beyond the property boundary, that is the responsibility of the utility) | | | | | | | | | | | | | |
| 67 | Average length of customer service line: + ? <u>10</u> <u>0.0</u> ft | | | | | | | | | | | | | |
| 68 | Average length of customer service line has been set to zero and a data grading score of 10 has been applied | | | | | | | | | | | | | |
| 69 | Average operating pressure: + ? <u>7</u> <u>90.4</u> psi | | | | | | | | | | | | | |
| 74 | COST DATA | | | | | | | | | | | | | |
| 76 | Total annual cost of operating water system: + ? <u>8</u> <u>\$4,275,859</u> \$/Year | | | | | | | | | | | | | |
| 77 | Customer retail unit cost (applied to Apparent Losses): + ? <u>8</u> <u>\$7.52</u> \$/1000 gallons (US) | | | | | | | | | | | | | |
| 78 | Variable production cost (applied to Real Losses): + ? <u>9</u> <u>\$681.29</u> \$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses | | | | | | | | | | | | | |
| 83 | WATER AUDIT DATA VALIDITY SCORE: | | | | | | | | | | | | | |
| 85 | *** YOUR SCORE IS: 78 out of 100 *** | | | | | | | | | | | | | |
| 87 | A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score | | | | | | | | | | | | | |
| 88 | PRIORITY AREAS FOR ATTENTION: | | | | | | | | | | | | | |
| 89 | Based on the information provided, audit accuracy can be improved by addressing the following components: | | | | | | | | | | | | | |
| 90 | 1: Volume from own sources | | | | | | | | | | | | | |
| 92 | 2: Billed metered | | | | | | | | | | | | | |
| 94 | 3: Unauthorized consumption | | | | | | | | | | | | | |

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Water and Sewer Department
AWWA WLCC Free Water Audit
For the Fiscal Year Ended June 30, 2015

| B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|----|--|---|---|---|---|---|---|---|---|---|---|---|---|--|
| | AWWA Free Water Audit Software: System Attributes and Performance Indicators | | | | | | | | | | | | | <small>WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.</small> |
| 2 | Water Audit Report for: City of Maryville (TN0000438) | | | | | | | | | | | | | |
| 3 | Reporting Year: 2015 7/2014 - 6/2015 | | | | | | | | | | | | | |
| 4 | *** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 78 out of 100 *** | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | |
| 10 | System Attributes: | | | | | | | | | | | | | |
| 11 | <div style="display: flex; justify-content: space-between;"> Apparent Losses: 4.203 MG/Yr </div> | | | | | | | | | | | | | |
| 12 | <div style="display: flex; justify-content: space-between;"> + Real Losses: 289.015 MG/Yr </div> | | | | | | | | | | | | | |
| 13 | <div style="display: flex; justify-content: space-between;"> = Water Losses: 293.218 MG/Yr </div> | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | |
| 17 | <div style="display: flex; justify-content: space-between;"> ? Unavoidable Annual Real Losses (UARL): 129.47 MG/Yr </div> | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | |
| 19 | <div style="display: flex; justify-content: space-between;"> Annual cost of Apparent Losses: \$31,610 </div> | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | |
| 21 | <div style="display: flex; justify-content: space-between;"> Annual cost of Real Losses: \$196,904 Valued at Variable Production Cost </div> | | | | | | | | | | | | | |
| 22 | Return to Reporting Worksheet to change this assumption | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | |
| 24 | Performance Indicators: | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | |
| 28 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Financial:</div> <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 10px;">{</div> <div style="margin-right: 10px;">Non-revenue water as percent by volume of Water Supplied:</div> <div style="border: 1px solid black; padding: 2px;">21.5%</div> </div> </div> | | | | | | | | | | | | | |
| 29 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Non-revenue water as percent by cost of operating system:</div> <div style="border: 1px solid black; padding: 2px;">5.8%</div> <div style="margin-left: 10px;">Real Losses valued at Variable Production Cost</div> </div> | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | |
| 34 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Operational Efficiency:</div> <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 10px;">{</div> <div style="margin-right: 10px;">Apparent Losses per service connection per day:</div> <div style="border: 1px solid black; padding: 2px;">0.73</div> <div style="margin-left: 10px;">gallons/connection/day</div> </div> </div> | | | | | | | | | | | | | |
| 35 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Real Losses per service connection per day:</div> <div style="border: 1px solid black; padding: 2px;">50.20</div> <div style="margin-left: 10px;">gallons/connection/day</div> </div> | | | | | | | | | | | | | |
| 36 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Real Losses per length of main per day*:</div> <div style="border: 1px solid black; padding: 2px;">N/A</div> </div> | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | | |
| 38 | <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Real Losses per service connection per day per psi pressure:</div> <div style="border: 1px solid black; padding: 2px;">0.56</div> <div style="margin-left: 10px;">gallons/connection/day/psi</div> </div> | | | | | | | | | | | | | |
| 39 | | | | | | | | | | | | | | |
| 40 | | | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | | | |
| 42 | | | | | | | | | | | | | | |
| 43 | <div style="display: flex; justify-content: space-between;"> From Above, Real Losses = Current Annual Real Losses (CARL): 289.01 million gallons/year </div> | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | | |
| 45 | <div style="display: flex; justify-content: space-between;"> ? Infrastructure Leakage Index (ILI) [CARL/UARL]: 2.23 </div> | | | | | | | | | | | | | |
| 46 | * This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | | |

CITY OF MARYVILLE, TENNESSEE
CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND
Stormwater Utilities Department
SCHEDULE OF UTILITY STATISTICS
For the Fiscal Year Ended June 30, 2015

I. Residential Rate:

\$3.97 per Equivalent Residential Unit (ERU) per month.

ERU is established as the average amount of impervious area found on a typical single-family residence. Based on a sampling of residential units, the City has determined that the average impervious area is 2,400 square feet. Thus, all residential customers are assigned one ERU.

II. Non-Residential Rate:

\$3.97 per Equivalent Residential Unit (ERU) per month.

For non-residential properties, the impervious area on the property is measured and translated into a whole Number of ERUs based upon the average residential area of 2,400. The number of ERUs is multiplied by the ERU rate to yield the monthly stormwater fee for that customer.

III. Customers serviced as of June 30, 2015 are as follows:

| | |
|-----------------|----------------------|
| Residential | 9,076 |
| Non-residential | <u>1,082</u> |
| Total Customers | <u><u>10,158</u></u> |

CITY OF MARYVILLE, TENNESSEE

SECTION THREE

STATISTICAL INFORMATION

June 30, 2015

CITY OF MARYVILLE, TENNESSEE

Statistical Section

June 30, 2015

This part of the City of Maryville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

SCHEDULES

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 through 4

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source.

5 through 8

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9 through 13

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

14 through 15

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16 through 18

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 1
NET POSITION BY COMPONENT
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | | | | | | |
| Net investment in capital assets | \$ 51,401,298 | \$ 48,939,854 | \$ 47,699,337 | \$ 46,793,585 | \$ 41,656,069 | \$ 38,205,393 | \$ 39,199,223 | \$ 33,546,542 | \$ 36,128,184 | \$ 29,549,528 |
| Restricted | 10,093,572 | 10,845,846 | 11,628,825 | 12,221,859 | 14,363,014 | 14,381,014 | 17,653,607 | 25,618,063 | 18,452,031 | 20,821,787 |
| Unrestricted | <u>10,465,838</u> | <u>14,236,827</u> | <u>12,442,670</u> | <u>16,175,991</u> | <u>16,524,153</u> | <u>15,382,798</u> | <u>12,322,544</u> | <u>11,406,293</u> | <u>6,298,287</u> | <u>7,051,009</u> |
| Total Governmental Activities Net position | <u>\$ 71,960,708</u> | <u>\$ 74,022,527</u> | <u>\$ 71,770,832</u> | <u>\$ 75,191,435</u> | <u>\$ 72,543,236</u> | <u>\$ 67,969,205</u> | <u>\$ 69,175,374</u> | <u>\$ 70,570,898</u> | <u>\$ 60,878,502</u> | <u>\$ 57,422,324</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | | |
| Net investment in capital asset | \$ 83,526,202 | \$ 78,694,922 | \$ 75,990,684 | \$ 72,042,808 | \$ 71,888,457 | \$ 69,637,184 | \$ 73,847,313 | \$ 74,483,082 | \$ 68,969,853 | \$ 67,710,974 |
| Restricted | - | - | - | - | - | - | - | - | 2,964,612 | 1,811,425 |
| Unrestricted | <u>12,147,535</u> | <u>14,842,884</u> | <u>13,961,757</u> | <u>13,479,959</u> | <u>9,399,720</u> | <u>3,289,802</u> | <u>2,508,254</u> | <u>(480,447)</u> | <u>252,322</u> | <u>3,183,899</u> |
| Total Business-Type Activities Net position | <u>\$ 95,673,737</u> | <u>\$ 93,537,806</u> | <u>\$ 89,952,441</u> | <u>\$ 85,522,767</u> | <u>\$ 81,288,177</u> | <u>\$ 72,926,986</u> | <u>\$ 76,355,567</u> | <u>\$ 74,002,635</u> | <u>\$ 72,186,787</u> | <u>\$ 72,706,298</u> |
| PRIMARY GOVERNMENT: | | | | | | | | | | |
| Net investment in capital assets | \$ 134,927,500 | \$ 127,634,776 | \$ 123,690,021 | \$ 118,836,393 | \$ 113,544,526 | \$ 107,842,577 | \$ 113,046,536 | \$ 108,029,624 | \$ 105,098,037 | \$ 97,260,502 |
| Restricted | 10,093,572 | 10,845,846 | 11,628,825 | 12,221,859 | 14,363,014 | 14,381,014 | 17,653,607 | 25,618,063 | 21,416,643 | 22,633,212 |
| Unrestricted | <u>22,613,373</u> | <u>29,079,711</u> | <u>26,404,427</u> | <u>29,655,950</u> | <u>25,923,873</u> | <u>18,672,600</u> | <u>14,830,798</u> | <u>10,925,846</u> | <u>6,550,609</u> | <u>10,234,908</u> |
| Total Primary Government Net position | <u>\$167,634,445</u> | <u>\$167,560,333</u> | <u>\$161,723,273</u> | <u>\$160,714,202</u> | <u>\$153,831,413</u> | <u>\$140,896,191</u> | <u>\$145,530,941</u> | <u>\$144,573,533</u> | <u>\$133,065,289</u> | <u>\$130,128,622</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EXPENSES: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 4,819,297 | \$ 4,560,452 | \$ 3,667,968 | \$ 3,354,656 | \$ 1,732,507 | \$ 2,612,508 | \$ 2,619,416 | \$ 2,927,208 | \$ 2,894,682 | \$ 2,944,541 |
| Public Safety | 8,724,154 | 8,978,334 | 8,683,688 | 8,639,299 | 9,754,968 | 8,800,812 | 9,063,312 | 9,453,107 | 9,235,049 | 8,231,186 |
| Public Works | 7,114,555 | 6,914,370 | 7,537,465 | 7,086,762 | 6,012,197 | 5,837,835 | 7,318,748 | 7,268,723 | 7,557,575 | 9,551,931 |
| Culture and Recreation | 3,312,723 | 3,136,157 | 3,086,470 | 3,097,756 | 2,950,743 | 3,297,321 | 11,591,791 | 2,064,163 | 1,991,543 | 1,852,197 |
| Economic Development | 18,059 | 18,193 | 132,076 | 109,695 | 342,968 | 1,340,465 | 2,078,586 | 377,833 | 193,023 | - |
| Nondepartmental | - | - | - | - | 994,254 | 1,068,209 | 1,253,913 | 958,986 | - | - |
| Education | 49,261,478 | 50,848,054 | 49,452,178 | 46,929,595 | 45,788,418 | 46,459,245 | 45,907,264 | 45,101,764 | 43,103,196 | 40,246,809 |
| Debt Service: | | | | | | | | | | |
| Interest on Long-Term Debt | 2,567,148 | 2,493,886 | 2,595,494 | 2,707,454 | 2,187,347 | 2,918,472 | 2,818,284 | 2,719,769 | 2,565,682 | 2,457,100 |
| Other Debt Service | <u>200,463</u> | <u>25,841</u> | <u>28,221</u> | <u>253,795</u> | <u>289,682</u> | <u>191,141</u> | <u>45,987</u> | <u>40,175</u> | <u>40,175</u> | <u>-</u> |
| Total Governmental Activities Expenses | <u>76,017,877</u> | <u>76,975,176</u> | <u>75,183,560</u> | <u>72,179,012</u> | <u>70,053,084</u> | <u>72,526,008</u> | <u>82,697,301</u> | <u>70,911,728</u> | <u>67,580,925</u> | <u>65,283,764</u> |
| Business-Type Activities: | | | | | | | | | | |
| Electric | 63,780,518 | 62,625,738 | 60,756,997 | 59,416,054 | 61,371,556 | 54,402,893 | 59,687,838 | 53,887,722 | 51,339,557 | 47,531,428 |
| Water and Sewer | 13,027,635 | 13,008,449 | 12,596,332 | 12,762,305 | 11,562,664 | 13,711,949 | 11,794,143 | 10,498,742 | 9,852,265 | 9,196,544 |
| Stormwater Utility | <u>1,039,904</u> | <u>1,090,652</u> | <u>994,488</u> | <u>929,436</u> | <u>917,136</u> | <u>1,018,169</u> | <u>839,484</u> | <u>862,424</u> | <u>1,139,470</u> | <u>976,134</u> |
| Total Business-type Activities Expenses | <u>\$ 77,848,057</u> | <u>\$ 76,724,839</u> | <u>\$ 74,347,817</u> | <u>\$ 73,107,795</u> | <u>\$ 73,851,356</u> | <u>\$ 69,133,011</u> | <u>\$ 72,321,465</u> | <u>65,248,888</u> | <u>62,331,292</u> | <u>57,704,106</u> |
| Total Primary Government Expenses | <u>\$ 153,865,934</u> | <u>\$ 153,700,015</u> | <u>\$ 149,531,377</u> | <u>\$ 145,286,807</u> | <u>\$ 143,904,440</u> | <u>\$141,659,019</u> | <u>\$155,018,766</u> | <u>\$136,160,616</u> | <u>\$121,912,217</u> | <u>\$122,987,870</u> |
| PROGRAM REVENUES: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 426,606 | \$ 327,895 | \$ 304,949 | \$ 203,508 | \$ 253,572 | \$ 205,119 | \$ 189,178 | \$ 349,451 | \$ 294,948 | \$ 192,851 |
| Public Safety | 469,264 | 347,345 | 308,521 | 270,586 | 224,966 | 231,534 | 281,915 | 516,868 | 679,635 | 686,332 |
| Public Works | 494,520 | 470,509 | 487,230 | 488,718 | 455,006 | 460,943 | 301,972 | 148,136 | 131,719 | 127,784 |
| Culture and Recreation | 771,617 | 768,879 | 605,653 | 836,447 | 775,595 | 749,983 | 690,561 | 691,735 | 460,153 | 462,403 |
| Economic Development | 42,300 | 42,300 | 42,300 | 42,300 | 167,300 | 42,362 | 334,397 | 244,375 | - | - |
| Education | 2,596,645 | 2,565,628 | 2,544,574 | 2,683,913 | 2,655,600 | 2,630,855 | 2,735,392 | 2,798,850 | 2,710,963 | 2,708,806 |
| Operating Grants and Contributions | 22,873,038 | 23,187,037 | 21,916,241 | 21,851,552 | 22,862,220 | 22,288,846 | 32,789,337 | 33,370,902 | 23,367,432 | 21,550,802 |
| Capital Grants and Contributions | <u>594,673</u> | <u>149,271</u> | <u>381,615</u> | <u>89,963</u> | <u>791,634</u> | <u>749,836</u> | <u>93,675</u> | <u>196,505</u> | <u>3,012,114</u> | <u>3,321,825</u> |
| Total Governmental Activities Program Revenues | <u>28,268,663</u> | <u>27,858,864</u> | <u>26,591,083</u> | <u>26,466,987</u> | <u>28,185,893</u> | <u>27,359,478</u> | <u>37,416,427</u> | <u>38,316,822</u> | <u>30,656,964</u> | <u>29,050,803</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| PROGRAM REVENUES (Continued): | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Electric | 66,049,665 | 65,274,058 | 63,992,291 | 63,093,546 | 65,112,057 | 55,543,033 | 61,839,944 | 55,403,587 | 51,734,502 | 49,527,590 |
| Water and Sewer | 14,832,003 | 14,905,009 | 14,297,661 | 13,820,345 | 12,959,720 | 11,336,312 | 11,372,336 | 10,873,811 | 10,087,319 | 10,365,017 |
| Stormwater Utility | 1,387,354 | 1,392,046 | 1,387,612 | 1,375,446 | 1,368,969 | 1,353,127 | 1,318,520 | 1,269,617 | 1,233,160 | 1,192,538 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Capital Grants and Contributions | <u>541,280</u> | <u>157,413</u> | <u>491,035</u> | <u>375,028</u> | <u>3,926,340</u> | <u>173,428</u> | <u>-</u> | <u>-</u> | <u>100,664</u> | <u>386,505</u> |
| Total Business-Type Activities Program Revenues | <u>82,810,302</u> | <u>81,728,526</u> | <u>80,168,599</u> | <u>78,664,365</u> | <u>83,367,086</u> | <u>68,405,900</u> | <u>74,530,800</u> | <u>67,547,015</u> | <u>63,155,645</u> | <u>61,471,650</u> |
| Total Primary Government Program Revenues | <u>\$ 111,078,965</u> | <u>\$ 109,587,390</u> | <u>\$ 106,759,682</u> | <u>\$105,131,352</u> | <u>\$111,552,979</u> | <u>\$ 95,765,378</u> | <u>\$111,947,227</u> | <u>\$105,863,837</u> | <u>\$ 93,812,609</u> | <u>\$ 90,522,453</u> |
| NET (EXPENSE) REVENUE | | | | | | | | | | |
| Governmental Activities | \$ (47,749,214) | \$ (49,116,312) | \$ (48,592,477) | \$ (45,712,025) | \$ (41,867,191) | \$ (45,166,530) | \$ (45,280,874) | \$ (32,594,906) | \$ (36,923,961) | \$ (36,232,961) |
| Business-Type Activities | <u>4,962,245</u> | <u>5,003,687</u> | <u>5,820,782</u> | <u>5,556,570</u> | <u>9,515,730</u> | <u>(727,111)</u> | <u>2,209,335</u> | <u>2,298,127</u> | <u>824,353</u> | <u>3,767,544</u> |
| Total Primary Government Net Expenses | <u>\$ (42,786,969)</u> | <u>\$ (44,112,625)</u> | <u>\$ (42,771,695)</u> | <u>\$ (40,155,455)</u> | <u>\$ (32,351,461)</u> | <u>\$ (45,893,641)</u> | <u>\$ (43,071,539)</u> | <u>\$ (30,296,779)</u> | <u>\$ (36,099,608)</u> | <u>\$ (32,465,417)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Revenues: | | | | | | | | | | |
| Sales Taxes | \$ 18,258,885 | \$ 15,207,831 | \$ 11,792,592 | \$ 11,840,020 | \$ 10,913,074 | \$ 10,580,764 | \$ 12,109,619 | \$ 11,674,305 | \$ 10,930,894 | \$ 10,376,834 |
| State income and Excise taxes | 537,456 | 536,887 | 313,332 | 322,009 | 299,275 | 570,146 | 528,149 | 645,516 | 449,219 | 364,645 |
| Property Taxes | 28,462,845 | 27,561,747 | 26,535,715 | 25,791,890 | 26,178,362 | 24,087,480 | 23,556,533 | 21,803,590 | 20,726,049 | 19,138,521 |
| Business Taxes | 1,044,938 | 782,339 | 912,011 | 802,555 | 723,497 | 680,872 | 638,490 | 716,624 | 582,649 | 639,675 |
| Miscellaneous Taxes | 3,005,430 | 3,025,884 | 5,550,803 | 5,483,319 | 5,100,621 | 5,152,442 | 4,775,703 | 4,822,796 | 4,092,266 | 4,197,930 |
| In-lieu-of Taxes | 1,036,489 | 852,795 | 538,093 | 638,248 | 620,312 | 449,801 | 517,909 | 502,067 | 441,304 | 388,218 |
| Investment Earnings | 256,400 | 217,444 | 179,293 | 174,339 | 217,446 | 278,708 | 577,600 | 1,126,371 | 1,223,035 | 572,102 |
| Miscellaneous | 1,817,076 | 1,681,975 | 1,544,033 | 1,766,779 | 994,638 | 887,083 | 172,266 | 127,516 | 514,878 | 223,038 |
| Gain (Loss) on Deletion of Capital Assets | 48,583 | 28,668 | 18,730 | 129,958 | 11,117 | 14,682 | 160,693 | 120,712 | 2,870 | 69,910 |
| Transfers | <u>1,192,314</u> | <u>1,472,437</u> | <u>1,449,365</u> | <u>1,411,107</u> | <u>1,382,880</u> | <u>1,258,383</u> | <u>848,388</u> | <u>747,805</u> | <u>1,416,975</u> | <u>3,194,311</u> |
| Total Governmental Activities | <u>55,660,416</u> | <u>51,368,007</u> | <u>48,833,967</u> | <u>48,360,224</u> | <u>46,441,222</u> | <u>43,960,361</u> | <u>43,885,350</u> | <u>42,287,302</u> | <u>40,380,139</u> | <u>39,165,184</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|---------------------|---------------------|
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION (Continued): | | | | | | | | | | |
| Business-Type Activities: | | | | | | | | | | |
| General Revenues: | | | | | | | | | | |
| Investment Earnings | 14,813 | 14,732 | 21,838 | 21,157 | 77,879 | 223,887 | 1,155,009 | 352,908 | 387,730 | 233,365 |
| Miscellaneous | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 | 15,600 | 8,910 | 618 |
| Gain (Loss) on Deletion of Capital Assets | 69,101 | 30,983 | 28,019 | 59,570 | 142,062 | - | (171,424) | - | - | 32,500 |
| Extraordinary loss | - | - | - | - | - | - | - | (102,982) | (323,529) | - |
| Transfers | <u>(1,192,314)</u> | <u>(1,472,437)</u> | <u>(1,449,365)</u> | <u>(1,411,107)</u> | <u>(1,382,880)</u> | <u>(1,258,383)</u> | <u>(848,388)</u> | <u>(747,805)</u> | <u>(1,416,975)</u> | <u>(3,194,311)</u> |
| Total Business-Type Activities | <u>(1,100,000)</u> | <u>(1,418,322)</u> | <u>(1,391,108)</u> | <u>(1,321,980)</u> | <u>(1,154,539)</u> | <u>(1,026,096)</u> | <u>143,597</u> | <u>(482,279)</u> | <u>(1,343,864)</u> | <u>(2,927,828)</u> |
| Total Primary Government | <u>\$ 54,560,416</u> | <u>\$ 49,949,685</u> | <u>\$ 47,442,859</u> | <u>\$ 47,038,244</u> | <u>\$ 45,286,683</u> | <u>\$ 42,934,265</u> | <u>\$ 44,028,947</u> | <u>\$ 41,805,023</u> | <u>\$39,036,275</u> | <u>\$36,237,356</u> |
| CHANGE IN NET POSITION: | | | | | | | | | | |
| Governmental Activities | \$ 7,911,202 | \$ 2,251,695 | \$ 241,490 | \$ 2,648,199 | \$ 4,574,031 | \$ (1,206,169) | \$ (1,395,524) | \$ 9,692,396 | \$ 3,456,178 | \$ 2,932,223 |
| Business-Type Activities | <u>3,862,245</u> | <u>3,585,365</u> | <u>4,429,674</u> | <u>4,234,590</u> | <u>8,361,191</u> | <u>(1,753,207)</u> | <u>2,352,932</u> | <u>1,815,848</u> | <u>(519,511)</u> | <u>839,716</u> |
| Total Primary Government | <u>\$ 11,773,447</u> | <u>\$ 5,837,060</u> | <u>\$ 4,671,164</u> | <u>\$ 6,882,789</u> | <u>\$ 12,935,222</u> | <u>\$ (2,959,376)</u> | <u>\$ 957,408</u> | <u>\$ 11,508,244</u> | <u>\$ 2,936,667</u> | <u>\$ 3,771,939</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FUND BALANCE UNDER | | | | | | | | | | |
| GASB 54 | | | | | | | | | | |
| GENERAL FUND | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ 4,156 | | | | | |
| Assigned | 896,783 | 1,550,055 | 680,255 | 127,077 | 118,256 | | | | | |
| Unassigned | <u>7,823,581</u> | <u>6,244,744</u> | <u>6,316,252</u> | <u>6,451,351</u> | <u>5,946,711</u> | | | | | |
| Total General Fund | <u>\$ 8,720,364</u> | <u>\$ 7,794,799</u> | <u>\$ 6,996,507</u> | <u>\$ 6,578,428</u> | <u>\$ 6,069,123</u> | | | | | |
| ALL OTHER | | | | | | | | | | |
| GOVERNMENTAL FUNDS | | | | | | | | | | |
| Nonspendable | \$ 49,596 | \$ 63,644 | \$ 67,631 | \$ 54,288 | \$ 106,917 | | | | | |
| Restricted | 2,086,536 | 2,240,767 | 2,723,852 | 3,485,940 | 10,811,986 | | | | | |
| Committed | 895,136 | 906,264 | 806,398 | 860,476 | 703,049 | | | | | |
| Assigned | <u>17,719,013</u> | <u>16,088,157</u> | <u>14,317,360</u> | <u>17,277,192</u> | <u>17,126,379</u> | | | | | |
| Total All Other | | | | | | | | | | |
| Governmental Funds | <u>\$ 20,750,281</u> | <u>\$ 19,298,832</u> | <u>\$ 17,915,241</u> | <u>\$ 21,677,896</u> | <u>\$ 28,748,331</u> | | | | | |
| FUND BALANCE PRIOR | | | | | | | | | | |
| TO IMPLEMENTATION | | | | | | | | | | |
| OF GASB 54 | | | | | | | | | | |
| GENERAL FUND | | | | | | | | | | |
| Reserved | | | | | | \$ - | \$ - | \$ - | \$ 9,400 | \$ - |
| Unreserved | | | | | | <u>5,110,799</u> | <u>4,740,931</u> | <u>4,297,006</u> | <u>3,858,383</u> | <u>3,987,807</u> |
| Total General Fund | | | | | | <u>\$ 5,110,799</u> | <u>\$ 4,740,931</u> | <u>\$ 4,297,006</u> | <u>\$ 3,867,783</u> | <u>\$ 3,987,807</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Reserved | | | | | | \$ 10,951,736 | \$ 11,835,747 | \$ 14,739,752 | \$ 15,540,090 | \$ 18,087,396 |
| Unreserved, reported in: | | | | | | | | | | |
| Debt Service Fund | | | | | | - | - | - | - | - |
| Special Revenue Fund | | | | | | 6,318,812 | 5,910,888 | 5,471,565 | 1,386,817 | 1,952,694 |
| Capital Projects Funds | | | | | | <u>20,714,176</u> | <u>7,474,116</u> | <u>12,421,577</u> | <u>4,305,591</u> | <u>4,079,733</u> |
| Total All Other | | | | | | | | | | |
| Governmental Funds | | | | | | <u>\$ 37,984,724</u> | <u>\$ 25,220,751</u> | <u>\$ 32,632,894</u> | <u>\$ 21,232,498</u> | <u>\$ 24,119,823</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|-------------------|-------------------|--------------------|--------------------|---------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| REVENUES: | | | | | | | | | | |
| Taxes | \$ 49,019,402 | \$ 44,893,872 | \$ 41,880,615 | \$ 41,632,978 | \$ 40,986,052 | \$ 38,408,400 | \$ 39,101,581 | \$ 36,851,183 | \$ 34,167,930 | \$ 32,323,828 |
| Licenses, permits and fees | 327,361 | 312,295 | 308,447 | 298,488 | 227,477 | 233,752 | 187,839 | 219,892 | 372,676 | 521,349 |
| Intergovernmental | 26,710,097 | 26,843,658 | 25,264,170 | 25,204,039 | 26,513,613 | 25,968,083 | 33,507,905 | 36,959,515 | 29,439,050 | 27,565,857 |
| Charges for services | 4,187,186 | 3,884,772 | 3,776,626 | 3,934,332 | 3,351,150 | 3,284,720 | 3,207,699 | 3,418,635 | 3,533,204 | 3,153,917 |
| Fines, forfeitures and costs | 60,113 | 104,753 | 82,907 | 102,139 | 70,200 | 95,408 | 130,752 | 149,049 | 147,198 | 140,709 |
| Investment income | 256,400 | 217,444 | 179,293 | 174,339 | 217,446 | 278,708 | 577,600 | 1,126,371 | 1,223,035 | 572,102 |
| Miscellaneous | <u>2,183,150</u> | <u>1,748,640</u> | <u>2,027,098</u> | <u>2,080,057</u> | <u>1,850,856</u> | <u>1,701,932</u> | <u>3,728,040</u> | <u>1,129,424</u> | <u>760,334</u> | <u>741,816</u> |
| Total Revenues | <u>82,743,709</u> | <u>78,005,434</u> | <u>73,519,156</u> | <u>73,426,372</u> | <u>73,216,794</u> | <u>69,971,003</u> | <u>80,441,416</u> | <u>79,854,069</u> | <u>69,643,427</u> | <u>65,019,578</u> |
| EXPENDITURES: | | | | | | | | | | |
| General government | 3,700,705 | 2,677,974 | 2,392,810 | 2,157,334 | 2,344,875 | 2,346,579 | 2,486,039 | 2,250,485 | 2,557,054 | 2,369,455 |
| Public safety | 8,589,950 | 8,278,238 | 7,964,174 | 7,893,768 | 9,095,291 | 8,127,543 | 8,380,192 | 8,946,646 | 8,760,170 | 7,878,145 |
| Public works | 6,292,611 | 6,171,951 | 5,825,440 | 6,208,726 | 6,471,955 | 5,556,931 | 5,809,557 | 5,987,383 | 5,828,785 | 5,172,424 |
| Culture and recreation | 2,363,093 | 2,186,943 | 2,150,213 | 2,174,705 | 2,028,355 | 2,813,232 | 11,546,009 | 2,019,939 | 1,946,787 | 1,810,291 |
| Economic Development | 8,954 | 10,463 | 124,865 | 98,621 | 331,338 | 1,319,880 | 2,057,450 | 377,833 | 193,023 | - |
| Nondepartmental | 1,292,612 | 1,018,871 | 1,014,323 | 978,445 | 994,254 | 1,068,209 | 1,253,913 | 958,986 | - | - |
| Education | 50,269,984 | 48,195,673 | 47,336,155 | 45,524,948 | 44,411,976 | 45,365,948 | 44,437,779 | 44,058,757 | 41,996,357 | 39,218,925 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 3,138,099 | 3,073,104 | 3,083,099 | 3,033,099 | 3,257,255 | 1,931,954 | 1,780,821 | 1,571,182 | 1,631,963 | 1,347,081 |
| Interest and fiscal fees | 2,119,402 | 2,049,671 | 2,141,044 | 2,549,725 | 2,448,736 | 2,646,425 | 3,115,500 | 2,783,365 | 2,735,377 | 2,434,708 |
| Payments under | | | | | | | | | | |
| Capital lease | 1,254,316 | 1,265,876 | 1,237,920 | 1,105,423 | 548,169 | 600,706 | - | - | - | - |
| Capital outlay | <u>2,691,341</u> | <u>2,357,425</u> | <u>5,058,928</u> | <u>9,911,160</u> | <u>12,112,193</u> | <u>5,353,809</u> | <u>7,832,348</u> | <u>2,953,803</u> | <u>8,671,765</u> | <u>9,436,953</u> |
| Total Expenditures | <u>81,721,067</u> | <u>77,286,189</u> | <u>78,328,971</u> | <u>81,635,954</u> | <u>84,044,397</u> | <u>77,131,216</u> | <u>88,699,608</u> | <u>71,908,379</u> | <u>74,321,281</u> | <u>69,667,982</u> |
| Excess (Deficiency) of Revenue Over Expenditures Before Financing Sources (Uses) | <u>1,022,642</u> | <u>719,245</u> | <u>(4,809,815)</u> | <u>(8,209,582)</u> | <u>(10,827,603)</u> | <u>(7,160,213)</u> | <u>(8,258,192)</u> | <u>7,945,690</u> | <u>(4,677,854)</u> | <u>(4,648,404)</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)
(Prepared Using the Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

| | <u>2015</u> | <u>2015</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|-------------------|
| OTHER FINANCING | | | | | | | | | | |
| SOURCES (USES) | | | | | | | | | | |
| Transfers in | \$ 16,965,008 | \$ 16,754,267 | \$ 17,305,072 | 18,521,596 | 14,858,643 | 16,894,743 | 16,251,682 | 17,308,614 | 16,091,599 | 18,159,232 |
| Transfers out | (15,772,694) | (15,281,830) | (15,855,707) | (17,110,489) | (13,475,763) | (15,636,360) | (15,403,294) | (16,444,797) | (14,387,629) | (14,703,638) |
| Issuance of debt | - | - | - | - | - | 18,720,000 | - | 3,000,000 | - | 2,000,000 |
| Proceeds from | | | | | | | | | | |
| refunding debt | 9,998,315 | - | - | 14,945,470 | 14,759,414 | 26,233,673 | 41,769,716 | - | - | - |
| Payments to refunding | | | | | | | | | | |
| agent | (9,830,000) | - | - | (14,660,000) | (14,505,000) | (25,897,365) | (41,340,000) | - | - | - |
| Capitalized Leases | - | - | - | - | 918,996 | - | - | - | - | - |
| Total other Financing | | | | | | | | | | |
| Sources (Uses) | <u>1,360,629</u> | <u>1,472,437</u> | <u>1,449,365</u> | <u>1,696,577</u> | <u>2,556,290</u> | <u>20,314,691</u> | <u>1,278,104</u> | <u>3,863,817</u> | <u>1,708,970</u> | <u>5,455,594</u> |
| Excess (Deficiency) of | | | | | | | | | | |
| Revenues and Other | | | | | | | | | | |
| Financing Sources Over | | | | | | | | | | |
| Expenditures and Other | | | | | | | | | | |
| Financing Uses | 2,383,271 | 2,191,682 | (3,360,450) | (6,513,005) | (8,271,313) | 13,154,478 | (6,980,088) | 11,809,507 | (2,973,884) | 807,190 |
| Change in Reserve for | | | | | | | | | | |
| Inventory | <u>(6,257)</u> | <u>(9,799)</u> | <u>15,874</u> | <u>(48,125)</u> | <u>(6,756)</u> | <u>(20,637)</u> | <u>11,870</u> | <u>20,112</u> | <u>(33,465)</u> | <u>58,152</u> |
| Net Change in Fund Balance | <u>\$ 2,377,014</u> | <u>\$ 2,181,883</u> | <u>\$ (3,344,576)</u> | <u>\$ (6,561,130)</u> | <u>\$ (8,278,069)</u> | <u>\$ 13,133,841</u> | <u>\$ (6,968,218)</u> | <u>\$ 11,829,619</u> | <u>\$ (3,007,349)</u> | <u>\$ 865,342</u> |
| Debt service as a percentage | | | | | | | | | | |
| of noncapital expenditures | 8.2% | 8.5% | 8.8% | 9.3% | 8.7% | 7.2% | 6.1% | 6.3% | 6.6% | 5.9% |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 5
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

| Fiscal Year Ending June 30 | Tax Year | Real Property | | Tangible Personal Property Assessed | Public Utility Assessment | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---------------------|--|--|--|--|---|--|---|---|
| | | Residential, Farms Property | Commercial, Industrial Property | | | | | | |
| 2006 | 2005 | \$ 258,257,981 | \$ 171,658,845 | \$ 93,441,459 | \$ 8,454,267 | \$ 531,812,552 | \$ 2.27 | \$ 1,812,516,249 | 29% |
| 2007 | 2006 | 268,016,015 | 174,152,238 | 87,625,422 | 7,508,998 | 537,302,673 | 1.95 | 1,864,361,986 | 29% |
| 2008 | 2007 | 372,335,500 | 213,948,280 | 124,572,037 | 9,012,106 | 719,867,923 | 2.05 | 2,455,838,312 | 29% |
| 2009 | 2008 | 383,855,475 | 218,491,080 | 122,240,692 | 9,937,798 | 734,525,045 | 2.30 | 2,507,187,053 | 29% |
| 2010 | 2009 | 389,176,075 | 222,126,120 | 111,504,825 | 8,364,243 | 731,171,263 | 2.30 | 2,498,910,065 | 29% |
| 2011 | 2010 | 389,601,275 | 221,918,360 | 112,177,658 | 9,772,822 | 733,470,115 | 2.17 | 2,504,895,294 | 29% |
| 2012 | 2011 | 428,509,175 | 243,905,680 | 112,439,268 | 10,063,941 | 794,918,064 | 2.17 | 2,716,896,534 | 29% |
| 2013 | 2012 | 430,141,700 | 242,692,240 | 110,828,787 | 10,499,920 | 794,162,647 | 2.17 | 2,715,817,453 | 29% |
| 2014 | 2013 | 434,148,698 | 253,448,120 | 111,166,000 | 11,811,906 | 810,574,724 | 2.17 | 2,754,845,589 | 29% |
| 2015 | 2014 | 438,743,017 | 257,898,885 | 134,813,754 | 12,917,003 | 844,372,659 | 2.17 | 2,872,583,920 | 29% |

Source: City of Maryville Recorder's Office
Blount County Government Property Assessor's Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)
Last Ten Calendar Years

| <u>Tax Year</u> | <u>Direct Tax Rate</u> | | | | <u>Overlapping Tax Rate - Blount County</u> |
|----------------------------|--------------------------------------|--------------------------------|-------------------------|---------------------|--|
| | <u>General Government</u> | <u>Debt Service</u> | <u>Education</u> | <u>Total</u> | |
| 2005 | \$ 0.13 | \$ 0.55 | \$ 1.59 | \$ 2.27 | \$ 2.43 |
| 2006 | 0.42 | 0.20 | 1.33 | 1.95 | 2.18 |
| 2007 | 0.57 | 0.17 | 1.31 | 2.05 | 2.23 |
| 2008 | 0.64 | 0.35 | 1.31 | 2.30 | 2.23 |
| 2009 | 0.69 | 0.30 | 1.31 | 2.30 | 2.23 |
| 2010 | 0.60 | 0.38 | 1.19 | 2.17 | 2.04 |
| 2011 | 0.60 | 0.45 | 1.16 | 2.17 | 2.15 |
| 2012 | 0.44 | 0.56 | 1.17 | 2.17 | 2.15 |
| 2013 | 0.42 | 0.56 | 1.19 | 2.17 | 2.15 |
| 2014 | 0.44 | 0.56 | 1.17 | 2.17 | 2.15 |

Source: City of Maryville Recorder's Office
Blount County, Tennessee Trustee's Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 7
PRINCIPAL TAXPAYERS
June 30, 2015

| <u>Taxpayer</u> | <u>Fiscal Year 2015</u> | | | <u>Fiscal Year 2006</u> | | |
|---|--|--------------------|--|--|--------------------|--|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| Denso Manufacturing Tenn, Inc. | \$ 121,242,133 | 1 | 14.6% | \$ 82,500,128 | 1 | 15.3% |
| Presbyterian Homes of Tennessee, Inc. | 7,938,315 | 2 | 0.8% | 7,952,560 | 2 | 1.5% |
| First Tennessee Bank | 7,326,662 | 3 | 0.8% | | | |
| CBL & Associates | 6,925,880 | 4 | 1.0% | 5,616,840 | 4 | 1.0% |
| Bridgeway Properties 1, LLC | 6,555,430 | 5 | 0.7% | 6,803,119 | 3 | 1.3% |
| Standard Aero Alliance, Inc. | 5,986,452 | 6 | 0.9% | 3,606,856 | 8 | 0.7% |
| Wal-Mart Stores, Inc. | 5,969,498 | 7 | 0.7% | | | |
| Camellia Trace at Mountain View, LLC | 5,672,645 | 8 | 0.7% | 4,994,520 | 5 | 0.9% |
| Ruby Tuesday, Inc. | 4,745,675 | 9 | .0.6% | 3,947,130 | 7 | 0.7% |
| Atmos Energy Corp. ⁽³⁾ | 4,264,005 | 10 | 0.5% | | | |
| Key Safety Systems, Inc. ⁽²⁾ | | | | 4,338,208 | 6 | 0.8% |
| Belk Department Stores, LP ⁽¹⁾ | | | | 3,494,308 | 9 | 0.7% |
| Dayton Hudson Corp. ⁽⁴⁾ | | | | 2,425,960 | 10 | 0.5% |
| Totals | <u>\$ 176,626,695</u> | | <u>21.3%</u> | <u>\$ 125,679,629</u> | | <u>23.4%</u> |
| Total Assessed Value All Property | <u>\$ 831,205,765</u> | | | <u>\$ 537,517,061</u> | | |

- (1) Formerly Saks/Proffitts, Inc.
(2) Formerly Breed Technologies, Inc.
(3) Formerly United Cities Gas Company
(4) Known as Maryville Commons

Source: City Recorder's Tax Collection Records

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year (1) | Collected within the Fiscal year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|--------------------------------------|--|----------------------------------|--------------------------------------|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | | <u>Amount</u> | <u>Percentage of Levy</u> |
| 2006 | \$ 12,200,154 | \$ 11,819,449 | 96.9% | \$ 371,667 | \$ 12,191,116 | 99.9% |
| 2007 | 13,291,788 | 12,908,931 | 97.1% | 367,958 | 13,276,889 | 99.9% |
| 2008 | 14,731,591 | 14,267,903 | 96.9% | 451,423 | 14,719,326 | 99.9% |
| 2009 | 16,490,493 | 15,790,058 | 95.8% | 667,109 | 16,457,167 | 99.8% |
| 2010 | 16,875,560 | 16,068,988 | 95.3% | 777,175 | 16,846,163 | 99.8% |
| 2011 | 17,164,448 | 16,562,997 | 96.4% | 581,756 | 17,144,753 | 99.9% |
| 2012 | 17,189,316 | 16,598,526 | 96.5% | 575,026 | 17,173,552 | 99.9% |
| 2013 | 17,291,459 | 16,729,203 | 96.8% | 554,099 | 17,283,302 | 99.9% |
| 2014 | 17,602,896 | 17,153,249 | 97.5% | 328,589 | 17,481,838 | 99.3% |
| 2015 | 18,323,056 | 17,894,734 | 97.7% | - | 17,894,734 | 97.7% |

(1) Adjusted for pickups and releases

Source: City Recorder's office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 9
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Governmental Activities | | | | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|---|---|-------------------------------------|--|---------------|---|--------------------------------------|-------------------------------------|---------------|---|--|-----------------------|
| | General Obligation Bonds | Capital Outlay Notes | Capital Lease Obligations | Total | General Obligation Bonds | General Revenue Bonds | Capital Outlay Notes | Total | | | |
| 2006 | \$ 850,000 | \$ 59,337,419 | \$ - | \$ 60,187,419 | \$ 22,190,000 | \$ 1,110,000 | \$ - | \$ 23,300,000 | \$ 83,487,419 | 10.4% | \$ 3,158 |
| 2007 | 450,000 | 57,905,445 | 22,857,600 | 81,213,045 | 21,390,000 | 3,146,196 | - | 24,536,196 | 105,749,241 | 12.5% | 3,951 |
| 2008 | 370,000 | 59,414,273 | 22,857,600 | 82,641,873 | 20,270,000 | 42,062,585 | - | 62,332,585 | 144,974,458 | 16.8% | 5,339 |
| 2009 | 41,875,871 | 16,553,452 | 22,857,600 | 81,286,923 | 19,323,418 | 41,861,377 | - | 61,184,795 | 142,471,718 | 16.9% | 5,227 |
| 2010 | 54,833,006 | 23,216,498 | 22,965,000 | 101,014,504 | 21,248,460 | 41,650,170 | 260,142 | 63,158,772 | 164,173,276 | 18.8% | 5,978 |
| 2011 | 53,502,182 | 21,444,243 | 23,393,996 | 98,340,421 | 19,756,132 | 41,028,962 | 2,304,000 | 63,089,094 | 161,429,515 | 17.6% | 5,862 |
| 2012 | 52,433,016 | 19,936,144 | 22,502,345 | 92,871,505 | 18,209,061 | 40,392,755 | 2,209,920 | 60,811,736 | 155,683,241 | 16.4% | 5,610 |
| 2013 | 50,732,789 | 18,408,045 | 21,897,651 | 91,038,485 | 14,923,971 | 39,741,547 | 2,113,884 | 56,779,402 | 147,817,887 | 15.1% | 5,281 |
| 2014 | 49,057,562 | 16,864,946 | 21,254,792 | 87,177,300 | 13,606,641 | 39,075,340 | 2,015,856 | 54,697,837 | 141,875,137 | 14.1% | 5,025 |
| 2015 | 47,505,053 | 15,301,848 | 20,593,645 | 83,400,546 | 12,239,311 | 38,394,133 | 1,915,788 | 52,549,232 | 135,949,778 | 13.0% | 4,774 |

NOTES:

Personal Income data can be found on Schedule 14.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 10
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Calendar Years

| Fiscal Year Ending <u>June 30,</u> | General Obligation <u>Debt</u> | Less Amounts Available in Debt <u>Service Fund</u> | Net General Obligation <u>Debt</u> | Percentage of Assessed Taxable Value <u>of Property</u> | Per <u>Capita</u> |
|---|---|---|---|--|------------------------------|
| 2006 | \$ 23,040,000 | \$ 17,877,197 | \$ 5,162,803 | 1.0% | \$ 195 |
| 2007 | 21,840,000 | 15,442,069 | 6,397,931 | 1.2% | 239 |
| 2008 | 20,640,000 | 14,135,169 | 6,504,831 | 0.9% | 240 |
| 2009 | 61,199,289 | 11,708,914 | 49,490,375 | 6.7% | 1,816 |
| 2010 | 76,081,466 | 10,842,203 | 65,239,263 | 8.9% | 2,375 |
| 2011 | 73,258,314 | 9,087,727 | 64,170,587 | 8.8% | 2,330 |
| 2012 | 70,642,077 | 8,489,676 | 62,152,401 | 7.8% | 2,239 |
| 2013 | 65,656,760 | 8,009,035 | 57,647,725 | 7.3% | 2,059 |
| 2014 | 62,664,203 | 8,010,894 | 54,653,309 | 6.7% | 1,936 |
| 2015 | 59,744,364 | 8,025,226 | 51,719,138 | 6.1% | 1,816 |

NOTES:

Actual Taxable Value of Property data can be found on Schedule 5.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|-----------------------------------|------------------------------------|---|---|
| Debt Repaid with Property Taxes: | | | |
| Direct Debt: | | | |
| General Obligation Bonds | \$ 47,505,053 | | |
| Capital Outlay Notes | 15,301,848 | | |
| Capital Leases | <u>20,593,645</u> | | |
| Total Direct Debt | 83,400,546 | 100.00% | \$ 83,400,546 |
| Overlapping Debt: | | | |
| Blount County General Government | 203,134,901 | 25.4% | <u>51,596,265</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 134,996,811</u> |

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding indebtedness of those overlapping governments that is borne by the residents and businesses of the City of Maryville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of Blount County, Tennessee's taxable assessed value within the City's boundaries and dividing it by Blount County, Tennessee's total taxable assessed value.

General obligation debt repaid from resources provided by business-type activities is excluded.

Source: Blount County, Tennessee government

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

| <u>Legal Debt Margin Calculation for 2015</u> | |
|--|-----------------------|
| Assessed Value | <u>\$ 844,372,659</u> |
| Debt Limit (15% of assessed value) | <u>\$ 126,655,899</u> |
| Net Debt applicable to limit: | |
| General obligation Debt | 80,734,183 (1) |
| Less: Amount set aside for repayment of general obligation debt | <u>8,025,226</u> |
| Net Debt Applicable to Limit | <u>72,708,957</u> |
| Legal Debt Margin | <u>\$ 53,946,942</u> |

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Limit | \$53,730,267 | \$71,986,792 | \$ 110,178,757 | \$ 109,675,689 | \$ 109,953,951 | \$ 117,278,585 | \$ 119,124,397 | \$ 121,365,352 | \$ 121,586,209 | \$ 126,655,899 |
| Total Net Debt Applicable to Limit | <u>44,810,222</u> | <u>62,710,492</u> | <u>65,043,588</u> | <u>66,409,488</u> | <u>85,224,295</u> | <u>83,655,512</u> | <u>80,153,813</u> | <u>77,471,668</u> | <u>76,030,406</u> | <u>72,708,957</u> |
| Legal Debt Margin | <u>\$ 8,920,045</u> | <u>\$ 9,276,300</u> | <u>\$ 45,135,169</u> | <u>\$ 43,266,201</u> | <u>\$ 24,729,656</u> | <u>\$ 33,623,073</u> | <u>\$ 38,970,584</u> | <u>\$ 43,893,684</u> | <u>\$ 45,555,803</u> | <u>\$ 53,946,942</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 83.4% | 87.1% | 59.0% | 60.6% | 77.5% | 71.3% | 67.3% | 63.8% | 62.5% | 57.4% |

Note: By private act of the State of Tennessee General Assembly enacted June 2004, the Charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed ten percent (10%) of the total assessed value of property of the incorporated area.

By private act of the State of Tennessee General Assembly effective April 2008, the charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. Fiscal years subsequent to 2007 are calculated using a debt limit of fifteen percent (15%) of total assessed value of property while prior years are disclosed using ten percent (10%).

(1) This amount is net of amount expected to be funded by Maryville College on Capital lease obligation.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 13
PLEDGED – REVENUE COVERAGE
Last Ten Fiscal Years

| Fiscal Year Ending June 30 | Electric Revenue Debt | | | | | | Water and Sewer Revenue Debt | | | | | |
|---|--|---|--------------------------------------|------------------|-----------------|-----------------|--|---|--------------------------------------|------------------|-----------------|-----------------|
| | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Principal | Interest | Coverage | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Principal | Interest | Coverage |
| 2006 | \$ 49,527,590 | \$ 45,763,045 | \$ 3,764,545 | \$ 540,000 | \$ 243,229 | 4.81 | \$ 10,365,017 | \$ 7,097,985 | \$ 3,267,032 | \$ 1,290,000 | \$ 658,540 | 1.68 |
| 2007 | 51,734,502 | 49,367,944 | 2,366,558 | 565,000 | 288,181 | 2.77 | 10,087,319 | 7,747,571 | 2,339,748 | 1,345,000 | 680,938 | 1.15 |
| 2008 | 55,403,587 | 51,633,922 | 3,769,665 | 425,000 | 413,595 | 4.50 | 10,873,811 | 8,118,994 | 2,754,817 | 695,000 | 838,703 | 1.79 |
| 2009 | 61,839,944 | 57,248,592 | 4,591,352 | 610,000 (1) | 345,261 | 4.81 | 11,372,336 | 7,736,229 | 3,636,107 | 730,000 (1) | 2,378,155 | 1.17 |
| 2010 | 55,543,033 | 51,818,933 | 3,724,100 | 660,000 | 339,990 | 3.72 | 11,336,312 | 6,951,773 | 4,384,539 | 785,000 (1) | 2,282,149 | 1.43 |
| 2011 | 65,112,057 | 60,952,804 | 4,159,253 | 805,000 | 402,473 | 3.44 | 12,959,720 | 6,549,100 | 6,410,620 | 1,250,000 | 2,331,823 | 1.79 |
| 2012 | 63,093,546 | 57,022,200 | 6,071,346 | 840,000 | 376,942 | 4.98 | 13,820,345 | 7,209,488 | 6,610,857 | 1,379,080 | 2,338,369 | 1.78 |
| 2013 | 63,992,291 | 58,315,043 | 5,677,248 | 1,890,000 | 343,326 | 2.54 | 14,297,661 | 7,050,424 | 7,247,237 | 2,081,036 | 2,282,524 | 1.66 |
| 2014 | 65,274,058 | 60,181,720 | 5,092,338 | 650,000 | 272,189 | 5.52 | 14,905,009 | 7,487,914 | 7,417,095 | 1,373,028 | 2,188,809 | 2.08 |
| 2015 | 66,049,665 | 61,279,772 | 4,769,893 | 675,000 | 248,388 | 5.17 | 14,832,003 | 7,539,137 | 7,292,866 | 1,415,068 | 2,129,656 | 2.06 |

NOTES:

Operating expenses do not include interest, depreciation, amortization expenses or in-lieu-of taxes paid to other City funds.

(1) Does not include debt retired from bond refunding issues.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | (1) <u>Population</u> | (2) <u>Personal Income</u> | (3) <u>Per Capita Income</u> | (4) <u>Median Age</u> | (5) <u>School Enrollment</u> | (6) <u>Unemployment Rate</u> |
|---|----------------------------------|---|---|----------------------------------|---|---|
| 2006 | 26,433 | \$ 804,144,726 | \$ 30,422 | 38.3 | 4,711 | 4.6% |
| 2007 | 26,766 | 844,279,938 | 31,543 | 38.3 | 4,868 | 3.5% |
| 2008 | 27,156 | 865,244,472 | 31,862 | 38.3 | 5,012 | 6.0% |
| 2009 | 27,258 | 844,098,486 | 30,967 | 38.3 | 5,009 | 10.7% |
| 2010 | 27,465 | 870,750,360 | 31,704 | 39.1 | 4,974 | 8.8% |
| 2011 | 27,536 | 917,196,624 | 33,309 | 39.1 | 4,910 | 8.6% |
| 2012 | 27,753 | 969,800,832 | 34,944 | 39.1 | 4,930 | 7.6% |
| 2013 | 27,992 | 988,397,520 | 35,310 | 39.1 | 4,962 | 7.5% |
| 2014 | 28,233 | 1,007,268,741 | 35,677 | 39.1 | 5,091 | 6.5% |
| 2015 | 28,476 | 1,046,122,812 | 36,737 | 39.1 | 5,038 | 5.2% |

- Sources:
- (1) 2006- 2009 Census Bureau; Estimated, City of Maryville
2010 – U.S. Census Bureau, 2010 Census
2011 – Special Census Certification from Department of Economic & Community Development
2012 – 2013 U.S. Census Bureau Estimate (updated)
2014 – 2015 – Estimated based on prior year's growth
 - (2) Calculation based upon Population and Per Capita Income
 - (3) 2006-2013 Bureau of Economic Analysis; Blount County (updated)
2013-2014 Estimated based on prior year's growth
 - (4) 2006-2009 2000 U.S. Census Bureau City of Maryville
2010-2015 2010 U.S. Census Bureau City of Maryville
 - (5) City of Maryville Schools - Updated
 - (6) Bureau of Labor Statistics –all figures reflect Blount County (not seasonally adjusted)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 15
PRINCIPAL EMPLOYERS
June 30, 2015

| <u>Employer</u> | <u>2015</u> | | | <u>(3) 2006</u> | | |
|--|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City/County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City/County Employment</u> |
| Denso Manufacturing Tennessee, Inc. ⁽¹⁾ | 3,400 | 1 | 5.91% | 2,300 | 1 | 3.83% |
| Blount Memorial Hospital, Inc. ⁽¹⁾ | 2,441 | 2 | 4.24% | 1,584 | 3 | 2.64% |
| McGhee Tyson ANG Base ⁽¹⁾ | 2,100 | 3 | 3.65% | - | - | - |
| Clayton Homes ⁽¹⁾ | 2,099 | 4 | 3.65% | 1,200 | 4 | 2.00% |
| Blount County School System ⁽¹⁾ | 1,800 | 5 | 3.13% | 1,200 | 4 | 2.00% |
| Alcoa, Inc. ⁽¹⁾ | 1,200 | 6 | 2.09% | 2,000 | 2 | 3.33% |
| Maryville City Schools ⁽²⁾ | 653 | 7 | 1.14% | 585 | 7 | 0.97% |
| Blount County Government ⁽¹⁾ | 605 | 8 | 1.05% | 550 | 8 | 0.92% |
| Marriott Business Services ⁽¹⁾ | 575 | 9 | 1.00% | - | - | - |
| Walmart Super Center ⁽²⁾ | 539 | 10 | 0.94% | 550 | 8 | 0.92% |
| Ruby Tuesday ⁽¹⁾ | 518 | 11 | 0.90% | 500 | 9 | 0.83% |
| Massey Group ⁽²⁾ | 400 | 12 | 0.70% | - | - | - |
| Newell Rubbermaid ⁽¹⁾ Sanford Brands | 350 | 13 | 0.61% | - | - | - |
| TeamHealth Alcoa Billing Center ⁽¹⁾ | 330 | 14 | 0.57% | - | - | - |
| Peninsula Hospital ⁽¹⁾ ,division of Park West Medical Center | 308 | 15 | 0.54% | 450 | 10 | 0.75% |
| City of Maryville ⁽²⁾ | 304 | 16 | 0.53% | - | - | - |
| Rockford Manufacturing ⁽¹⁾ | 300 | 17 | 0.52% | - | - | - |
| Standard Aero, Inc. ⁽¹⁾ | 278 | 18 | 0.48% | - | - | - |
| City of Alcoa ⁽²⁾ | 260 | 19 | 0.45% | - | - | - |
| Maryville College ⁽²⁾ | 254 | 20 | 0.44% | - | - | - |
| Cornerstone of Recovery ⁽¹⁾ | 235 | 21 | 0.41% | - | - | - |
| Alcoa City Schools ⁽²⁾ | 231 | 22 | 0.40% | - | - | - |
| EZ Stop Food Marts ⁽¹⁾ | 220 | 23 | 0.38% | - | - | - |
| Reinhart Food Service ⁽¹⁾ Formerly JJ Co. | <u>187</u> | 24 | <u>0.33%</u> | <u>800</u> | 5 | <u>1.33%</u> |
| | <u>19,587</u> | | <u>34.06%</u> | <u>11,719</u> | | <u>19.52%</u> |
| | | | | | | |
| Total Blount County Employment 2015 (as of 05/15) ⁽⁴⁾ | 57,527 | | | | | |
| Total Blount County Employment 2006 (as of 06/06) ⁽⁴⁾ | 60,045 | | | | | |

Source: (1) The Knoxville News Sentinel "Book of Lists"
(2) 2015 Responses from Employer
(3) City of Maryville Comprehensive Annual Financial Report 6/30/06
(4) U.S. Bureau of Labor Statistics

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
Last Ten Fiscal Years

| | <u>Actual 2015</u> | <u>Actual 2014</u> | <u>Actual 2013</u> | <u>Actual 2012</u> | <u>Actual 2011</u> | <u>Actual 2010</u> | <u>Actual 2009</u> | <u>Actual 2008</u> | <u>Actual 2007</u> | <u>Actual 2006</u> |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| General Government | | | | | | | | | | |
| Administration | 3.66 | 3.66 | 3.84 | 4.05 | 4.05 | 3.47 | 3.47 | 3.47 | 4.05 | 4.05 |
| Development Services (1) | 8.38 | 8.38 | 7.38 | 7.38 | 7.38 | 9.38 | 9.38 | 0.00 | 0.00 | 0.00 |
| Judicial/Legal | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Human Resources | 2.44 | 2.44 | 2.44 | 2.44 | 2.44 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 |
| Engineering | 3.20 | 3.20 | 3.20 | 4.20 | 4.20 | 4.25 | 4.25 | 4.25 | 3.35 | 3.90 |
| Finance | 3.58 | 3.58 | 3.58 | 3.58 | 3.58 | 4.08 | 4.08 | 3.56 | 5.19 | 4.71 |
| Purchasing | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 |
| Police | 51.50 | 51.50 | 51.50 | 51.50 | 51.50 | 54.50 | 54.50 | 53.00 | 50.00 | 48.00 |
| Fire | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 41.50 | 41.50 | 41.00 | 38.00 | 38.00 |
| Public Works – Administration | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.25 | 1.95 |
| Public Works – Street Maintenance | 11.00 | 11.00 | 11.00 | 11.05 | 11.05 | 12.35 | 12.35 | 12.85 | 11.10 | 10.10 |
| Public Works – Grounds Maintenance | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 14.75 | 14.75 | 14.80 | 13.22 | 13.22 |
| Economic Development (1) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.88 | 0.00 | 0.00 |
| Planning (1) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.25 | 4.20 | 3.95 |
| Code Enforcement (1) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.25 | 4.40 | 4.40 |
| SWM – Residential Collection | 11.46 | 11.46 | 11.46 | 11.46 | 11.46 | 11.89 | 11.89 | 11.99 | 11.58 | 11.78 |
| SWM – Commercial Collection | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 | 4.87 | 4.87 | 5.17 | 5.57 | 4.57 |
| SWM – Brush Collection | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.44 | 8.44 | 7.39 | 7.53 | 7.33 |
| Animal Control | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 5.00 |
| GIS Management | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Traffic Operations | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Computer Information Systems | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Fleet Maintenance | 6.05 | 6.05 | 6.05 | 6.05 | 6.05 | 7.15 | 7.15 | 7.15 | 7.15 | 7.15 |
| Municipal Building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Operations Center | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Local Grant Funds – Police Grant | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>2.00</u> | <u>1.00</u> | <u>1.00</u> |
| Total General Government | <u>175.06</u> | <u>175.06</u> | <u>175.24</u> | <u>175.50</u> | <u>175.50</u> | <u>192.23</u> | <u>192.23</u> | <u>191.61</u> | <u>186.19</u> | <u>182.71</u> |
| Electric Division | | | | | | | | | | |
| Administration | 4.05 | 4.25 | 4.15 | 4.05 | 4.05 | 4.08 | 4.08 | 4.08 | 4.08 | 4.08 |
| Finance & Accounting | 19.62 | 24.62 | 24.62 | 24.62 | 24.62 | 27.92 | 27.92 | 28.59 | 27.81 | 26.29 |
| Metering (2) | 4.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transmission and Distribution | <u>32.95</u> | <u>33.00</u> | <u>33.00</u> | <u>33.00</u> | <u>33.00</u> | <u>32.60</u> | <u>32.60</u> | <u>33.45</u> | <u>32.60</u> | <u>32.60</u> |
| Total Electric Division | <u>60.67</u> | <u>61.87</u> | <u>61.77</u> | <u>61.67</u> | <u>61.67</u> | <u>64.60</u> | <u>64.60</u> | <u>66.12</u> | <u>64.49</u> | <u>62.97</u> |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 16
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT (Continued)
Last Ten Fiscal Years

| | <u>Actual 2015</u> | <u>Actual 2014</u> | <u>Actual 2013</u> | <u>Actual 2012</u> | <u>Actual 2011</u> | <u>Actual 2010</u> | <u>Actual 2009</u> | <u>Actual 2008</u> | <u>Actual 2007</u> | <u>Actual 2006</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Water and Sewer Division | | | | | | | | | | |
| Administration | 0.00 | 0.00 | 0.00 | 3.43 | 3.43 | 4.52 | 4.52 | 6.97 | 5.37 | 5.37 |
| Engineering | 11.52 | 11.22 | 11.14 | 8.05 | 8.05 | 11.40 | 11.40 | 9.65 | 9.80 | 9.80 |
| Water Plant Operations | 7.40 | 7.60 | 7.60 | 7.35 | 7.35 | 7.30 | 7.30 | 7.20 | 7.00 | 7.00 |
| Wastewater Treatment Plant | 15.70 | 15.50 | 15.50 | 15.60 | 15.60 | 18.55 | 18.55 | 18.45 | 18.00 | 18.00 |
| Water Construction | <u>23.05</u> | <u>22.15</u> | <u>22.15</u> | <u>21.85</u> | <u>21.85</u> | <u>26.00</u> | <u>26.00</u> | <u>25.50</u> | <u>24.60</u> | <u>24.60</u> |
| Total Water and Sewer Division | <u>57.67</u> | <u>56.47</u> | <u>56.39</u> | <u>56.28</u> | <u>56.28</u> | <u>67.77</u> | <u>67.77</u> | <u>67.77</u> | <u>64.77</u> | <u>64.77</u> |
| Stormwater Utility Division | | | | | | | | | | |
| Stormwater Utility – Engineering | 3.70 | 3.70 | 3.70 | 3.70 | 3.70 | 3.65 | 3.65 | 3.65 | 3.75 | 2.75 |
| Stormwater Utility – Construction | <u>6.90</u> | <u>6.90</u> | <u>6.90</u> | <u>6.85</u> | <u>6.85</u> | <u>7.75</u> | <u>7.75</u> | <u>6.85</u> | <u>7.80</u> | <u>7.80</u> |
| Total Stormwater Utility Division | <u>10.60</u> | <u>10.60</u> | <u>10.60</u> | <u>10.55</u> | <u>10.55</u> | <u>11.40</u> | <u>11.40</u> | <u>10.50</u> | <u>11.55</u> | <u>10.55</u> |
| Total General Government and Utilities | <u>304.00</u> | <u>304.00</u> | <u>304.00</u> | <u>304.00</u> | <u>304.00</u> | <u>336.00</u> | <u>336.00</u> | <u>336.00</u> | <u>327.00</u> | <u>321.00</u> |

- (1) Economic Development, Planning and Codes combined into Development Services as of 2009
(2) New classification in 2015

Source: City of Maryville Budget Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

| Function/Program <u>General Government</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|
| City Tax Clerk: | | | | | | | | | | |
| Tax Parcels | 13,719 | 13,781 | 13,772 | 13,684 | 13,569 | 13,535 | 13,433 | 13,172 | 12,840 | 12,426 |
| Real Property Values | \$ 2,398,303,300 | \$ 2,369,311,100 | \$ 2,335,816,600 | \$ 2,322,445,000 | \$ 2,298,129,400 | \$2,112,019,600 | \$ 2,085,058,700 | \$ 2,023,292,700 | \$ 1,951,269,900 | \$ 1,864,361,986 |
| Assessed Values | \$ 83,120,765 | \$ 798,595,753 | \$ 786,956,027 | \$ 784,238,454 | \$ 781,887,005 | \$ 738,191,690 | \$ 708,920,413 | \$ 710,123,701 | \$ 564,688,785 | \$ 537,302,673 |
| Delinquent Taxes (1) | \$ 263,599 | \$ 281,498 | \$ 343,328 | \$ 382,630 | \$ 402,128 | \$ 382,934 | \$ 275,765 | \$ 216,029 | \$ 168,888 | \$ 156,789 |
| Business Licenses | 1,087 | 1,628 | 1,181 | 1,179 | 1,300 | 1,167 | 1,243 | 1,364 | 1,202 | 1,248 |
| Electric: | | | | | | | | | | |
| # of Miles of Line & Distribution Circuits | 394.56 | 387.74 | 386.90 | 387.00 | 385.90 | 385.90 | 383.9 | 380.60 | 379.20 | 374.80 |
| Peak System Demand (kW) | 155,937 | 149,326 | 149,020 | 126,199 | 153,455 | 147,069 | 150,485 | 163,081 | 159,631 | 156,711 |
| # of Meters in Service (Total) | 20,907 | 20,684 | 20,673 | 20,829 | 20,093 | 20,438 | 20,042 | 20,187 | 20,007 | 19,761 |
| Total Annual Power Usage | 786,444 | 768,666 | 738,538 | 562,000 | 654,569 | 718,678 | 704,476 | 774,932 | 785,354 | 772,015 |
| Wastewater: | | | | | | | | | | |
| # of Customers (1) | 13,498 | 13,385 | 13,242 | 13,039 | 13,022 | 12,812 | 12,717 | 12,579 | 12,291 | 11,927 |
| Average Daily Treatment (1,000 of gallons) | 8,852.9 | 9,700.0 | 10,321.0 | 9,352.3 | 8,801.0 | 9,992.0 | 9,276.0 | 8,510.0 | 8,660.0 | 8,926.0 |
| Permitted Capacity (1,000 of gallons) | 17,000.0 | 17,000.0 | 17,000.0 | 17,000.0 | 17,000.0 | 12,000.0 | 12,000.0 | 12,000.0 | 10,000.0 | 10,000.0 |
| Maximum Day Treatment (1,000 of gallons) | 18,600.0 | 32,500.0 | 33,900.0 | 32,600.0 | 42,451.0 | 31,883.0 | 36,009.0 | 15,173.0 | 19,260.0 | 24,356.0 |
| Water: | | | | | | | | | | |
| # of Customers (1) | 15,448 | 15,353 | 15,244 | 15,140 | 14,844 | 14,460 | 14,425 | 14,269 | 14,032 | 13,791 |
| Average Daily Consumption (1,000 of gallons sold) | 3,122.4 | 3,166.7 | 3,205.2 | 3,325.4 | 3,295.0 | 2,972.3 | 3,236.1 | 3,379.7 | 3,411.2 | 3,469.9 |
| Permitted Capacity (1,000 of gallons) | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 | 6,000.0 |
| Maximum Day Treatment (1,000 of gallons) | 5,346.0 | 5,645.0 | 6,114.0 | 6,282.0 | 6,188.0 | 5,881.0 | 5,653.0 | 5,782.0 | 6,275.0 | 6,143.0 |
| Codes Department: | | | | | | | | | | |
| Building Permits | 2,017 | 1,297 | 1,605 | 1,136 | 965 | 1,093 | 1,182 | 1,670 | 2,006 | 2,034 |
| Total Construction Value | \$ 81,424,658 | \$ 32,318,640 | \$ 42,607,839 | \$ 29,614,358 | \$ 32,369,296 | \$ 25,316,738 | \$ 47,600,483 | \$ 83,506,550 | \$ 66,720,831 | \$ 74,211,833 |
| Police Department: | | | | | | | | | | |
| Citations | 1,432 | 1,932 | 2,431 | 2,408 | 2,054 | 2,067 | 3,353 | 3,856 | 3,751 | 2,682 |
| Burglaries | 114 | 129 | 170 | 193 | 140 | 145 | 187 | 133 | 128 | 143 |
| Total Arrests | 1,037 | 1,229 | 1,429 | 1,467 | 1,407 | 1,638 | 1,682 | 1,641 | 1,758 | 1,402 |
| DUI Arrests | 81 | 87 | 157 | 130 | 81 | 156 | 208 | 201 | 164 | 150 |
| Domestic Violence Victims | 94 | 115 | 150 | 163 | 172 | 138 | 128 | 130 | 111 | 102 |
| Incident Reports | 1,952 | 2,191 | 2,481 | 2,772 | 2,572 | 2,471 | 2,817 | 2,823 | 2,724 | 2,598 |
| Calls for Service | 27,285 | 25,719 | 30,634 | 31,144 | 29,177 | 31,189 | 32,801 | 34,938 | 33,022 | 33,173 |
| Fire Department: | | | | | | | | | | |
| Calls for Service | 3,900 | 3,910 | 3,730 | 3,505 | 3,607 | 3,489 | 3,182 | 2,578 | 1,885 | 2,137 |
| Fire Educational Programs | 262 | 388 | 132 | 69 | 89 | 129 | 196 | 200 | 112 | 406 |
| Company Inspections | 492 | 387 | 156 | 832 | 980 | 1,468 | 358 | 1,145 | 1,579 | 1,610 |
| Fire Hydrants (1) | 1,853 | 1,853 | 1,820 | 1,870 | 1,822 | 1,809 | 1,782 | 1,784 | 1,737 | 1,646 |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

| Function/Program | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>General Government</u> | | | | | | | | | | |
| Animal Control: | | | | | | | | | | |
| Animal Control Complaints | 1,655 | 1,683 | 2,588 | 2,197 | 1,975 | 1,700 | 1,368 | 1,618 | 2,950 | 5,371 |
| Animal Impoundments | 503 | 591 | 515 | 613 | 645 | 626 | 775 | 874 | 1,717 | 4,095 |
| Animal Board Days | 2,954 | 1,444 | 2,906 | 2,581 | 2,684 | 2,629 | 3,281 | 3,701 | 5,860 | 11,639 |
| Animals Returned to Owners | 106 | 107 | 91 | 106 | 85 | 107 | 110 | 109 | 177 | 165 |
| Animals Adopted | 216 | 254 | 182 | 200 | 100 | 89 | 194 | 157 | 340 | 631 |
| Animals Euthanized | 1 | 11 | 21 | 137 | 352 | 364 | 440 | 554 | 1,115 | 3,299 |
| Parks and Recreation: | | | | | | | | | | |
| Maryville City Park Acreage | 76 | 76 | 76 | 76 | 76 | 76 | 76 | 75 | 75 | 75 |
| Youth Basketball Participants | 567 | 625 | 650 | 675 | 725 | 710 | 653 | 600 | 560 | 575 |
| Youth Soccer Participants | 1,090 | 1,200 | 1,285 | 1,300 | 1,245 | 1,215 | 1,290 | 1,300 | 1,300 | 1,200 |
| Adult Softball Teams | 107 | 75 | 80 | 80 | 95 | 130 | 147 | 150 | 160 | 180 |
| Adult Basketball Teams | 11 | 15 | 16 | 18 | 20 | 16 | 22 | 34 | 36 | 33 |
| Adult Volleyball Teams | 38 | 41 | 36 | 30 | 34 | 32 | 42 | 33 | 35 | 38 |
| Senior Center Membership | 680 | 625 | 600 | 580 | 590 | 547 | 517 | 500 | 450 | 575 |
| Public Works Street & Grounds Department: | | | | | | | | | | |
| Miles of City Streets | 169 | 169 | 169 | 169 | 169 | 169 | 169 | 169 | 168 | 168 |
| Greenbelt & Extensions Acreage | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 |
| Solid Waste Management Department: | | | | | | | | | | |
| Residential – Avg Tons Collected per Res | 0.84 | 0.61 | 0.59 | 0.63 | 0.71 | 0.72 | 0.79 | 0.82 | 0.82 | 0.84 |
| Commercial – Avg Tons Collected Daily | 40.1 | 35.92 | 35.48 | 36.47 | 37.59 | 41.69 | 41.92 | 42.04 | 42.25 | 41.75 |
| Brush – Avg Tons Collected Daily | 23.1 | 23.71 | 24.58 | 23.53 | 21.10 | 25.22 | 23.02 | 21.10 | 21.91 | 19.20 |
| Landfill – Total Tonage From Landfills | 22,818 | 22,880 | 22,754 | 23,381 | 22,146 | 24,288 | 24,337 | 24,001 | 24,172 | 23,674 |
| Fleet Maintenance Dept: | | | | | | | | | | |
| Number of Fleet Vehicle and Attachments | 377 | 387 | 385 | 382 | 387 | 391 | 391 | 404 | 380 | 382 |
| Schools: | | | | | | | | | | |
| Total Enrollment | 5,038 | 5,091 | 4,962 | 4,930 | 4,910 | 4,974 | 5,009 | 5,012 | 4,868 | 4,711 |
| Resident Tuition | 4,756 | 4,845 | 4,727 | 4,720 | 4,705 | 4,764 | 4,768 | 4,738 | 4,576 | 4,424 |
| | 282 | 246 | 235 | 210 | 205 | 210 | 241 | 274 | 292 | 287 |
| Number of Regular Instruction Teachers | 323 | 326 | 326 | 320 | 323 | 318 | 322 | 318 | 311 | 305 |

Source: City of Maryville Department Records

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

| | Fiscal Year Ending | | | | | | | | | |
|---|---------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| <u>Function/Program</u> | | | | | | | | | | |
| General Government & Utilities | | | | | | | | | | |
| City Municipal Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pickup Trucks | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Cars | 9 | 10 | 10 | 11 | 9 | 8 | 7 | 7 | 5 | 5 |
| Sport Utility Vehicles | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Utilities | | | | | | | | | | |
| Operation Center (Public Works & Utilities) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water Plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water Tanks/Storage Tanks | 8 | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 |
| Water Booster Stations | 5 | 7 | 7 | 7 | 5 | 5 | 5 | 6 | 5 | 5 |
| Wastewater Treatment Plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sewage Pump/Lift Stations | 19 | 20 | 20 | 20 | 20 | 21 | 21 | 21 | 22 | 22 |
| Electric Substations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 |
| Cars | 3 | 3 | 4 | 4 | 3 | 2 | 2 | 2 | 1 | 1 |
| Sport Utility Vehicles | 8 | 8 | 7 | 8 | 8 | 7 | 7 | 6 | 6 | 7 |
| Trucks | 38 | 36 | 37 | 35 | 35 | 33 | 33 | 33 | 35 | 35 |
| Heavy Equipment | 19 | 19 | 21 | 22 | 22 | 24 | 23 | 26 | 25 | 23 |
| Other Equipment | 46 | 47 | 50 | 47 | 48 | 48 | 46 | 45 | 47 | 47 |
| Storage Sheds | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| Fuel System | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Wash Bay | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Warehouses | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety | | | | | | | | | | |
| Police Department/Police Substations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Firing Range Buildings | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patrol Cars/Cars | 50 | 53 | 60 | 54 | 56 | 56 | 56 | 57 | 59 | 53 |
| Sport Utility Vehicles | 4 | 7 | 9 | 9 | 10 | 10 | 10 | 9 | 9 | 8 |
| Trucks | 0 | 0 | 0 | 4 | 1 | 1 | 0 | 1 | 1 | 2 |
| Vans | 2 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mobile Command Unit | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| ATV | 1 | 1 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Motorcycles (leased) | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Animal Control | | | | | | | | | | |
| Building-Shelter | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pickup Trucks | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 3 | 3 | 3 |

(Continued)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 18

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)

Last Ten Fiscal Years

| | Fiscal Year Ending | | | | | | | | | |
|---|---------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Public Safety (Continued) | | | | | | | | | | |
| Fire Department | | | | | | | | | | |
| Fire Halls | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Cars | 3 | 1 | 1 | 2 | 2 | 2 | 2 | 3 | 3 | 2 |
| Sport Utility Vehicles | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 4 |
| Trucks | 3 | 3 | 3 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| ATV | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Emergency One Vehicles | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire Engines/Ladder Trucks/Pumpers | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Life Safety Bus | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Antique Fire Truck | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other Equipment | 2 | 2 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Codes Enforcement | | | | | | | | | | |
| Sport Utility Vehicles | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |
| Cars | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Health & Welfare | | | | | | | | | | |
| Stormwater | | | | | | | | | | |
| Pickup Trucks | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Heavy Equipment | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Solid Waste Management (Residential, Commercial & Brush) | | | | | | | | | | |
| Cars | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sport Utility Vehicle | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Trucks | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Heavy Equipment | 21 | 21 | 22 | 20 | 20 | 20 | 20 | 21 | 21 | 20 |
| Other Equipment | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 20 | 21 |
| Social, Cultural & Recreational Services | | | | | | | | | | |
| Parks & Recreation Office Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior Center Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Everett Gym Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Concession Stands | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Greenbelt & Park Pavilions/Gazebos | 6 | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 8 | 8 |
| Public Library (New) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other General Government | | | | | | | | | | |
| Industrial Development Parks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Parking Garages | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Commercial Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

(Continued)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 18

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)

Last Ten Fiscal Years

| | Fiscal Year Ending | | | | | | | | | |
|--|---------------------------|------|------|------|------|------|------|------|------|------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Public Works Street & Grounds Departments | | | | | | | | | | |
| Salt Storage Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bridges | 30 | 30 | 30 | 30 | 30 | 31 | 31 | 31 | 31 | 31 |
| City Streets | 714 | 720 | 765 | 766 | 766 | 766 | 766 | 766 | 766 | 769 |
| Sports Utility Vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Trucks | 14 | 13 | 12 | 12 | 12 | 12 | 11 | 12 | 12 | 12 |
| Heavy Equipment | 13 | 13 | 12 | 13 | 13 | 13 | 13 | 14 | 13 | 12 |
| Other Equipment | 59 | 57 | 57 | 53 | 51 | 50 | 49 | 48 | 48 | 47 |
| Fleet Maintenance | | | | | | | | | | |
| Fleet Maintenance Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Trucks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Other Equipment | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Maryville City Schools | | | | | | | | | | |
| Central Office | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Elementary Schools | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Middle Schools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Intermediate Schools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| High Schools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bus | 3 | 3 | 4 | 4 | 6 | 6 | 6 | 6 | 6 | 5 |
| Cars-Drivers Ed | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Vans | 8 | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 |
| Trucks | 6 | 6 | 6 | 6 | 7 | 7 | 8 | 8 | 7 | 7 |
| Other Equipment | 4 | 5 | 5 | 6 | 6 | 6 | 6 | 5 | 5 | 3 |

Source: City of Maryville Department Records
Maryville City School Fleet Inventory

CITY OF MARYVILLE, TENNESSEE

SECTION FOUR

SINGLE AUDIT SECTION

June 30, 2015

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2015

| <u>Program Name</u> | <u>Fund</u> | <u>CFDA Number</u> | <u>Grant/ Contract Number</u> | <u>Grantor Agency</u> | <u>Balance July 1, 2014</u> | | <u>Cash Receipts</u> | <u>Expenditures</u> | <u>Returned to Grantor and Other</u> | <u>Balance June 30, 2015</u> |
|-----------------------------|------------------|------------------------|---------------------------------------|------------------------------|---------------------------------|---|--------------------------|---------------------|--|----------------------------------|
| FEDERAL ASSISTANCE | | | | | | | | | | |
| Title I #14.01 | Federal Projects | 84.010A | N/A | U.S. Department of Education | \$ 195,205 | * | \$ 195,205 | \$ - | \$ - | \$ - |
| Title I #15.01 | Federal Projects | 84.010A | N/A | U.S. Department of Education | - | | 628,368 | 628,368 | - | - |
| | | | | Program Total | 195,205 | * | 823,573 | 628,368 | - | - |
| IDEA (Part B) #14.01 | Federal Projects | 84.027A | N/A | U.S. Department of Education | 411,361 | * | 411,361 | - | - | - |
| IDEA (Part B) #15.01 | Federal Projects | 84.027A | N/A | U.S. Department of Education | - | | 1,025,527 | 1,025,527 | - | - |
| | | | | Program Total | 411,361 | * | 1,436,888 | 1,025,527 | - | - |
| IDEA Preschool #14.01 | Federal Projects | 84.173A | N/A | U.S. Department of Education | 11,155 | * | 11,155 | - | - | - |
| IDEA Preschool #13.21 | Federal Projects | 84.173A | N/A | U.S. Department of Education | 2,570 | * | 2,570 | - | - | - |
| IDEA Preschool #15.01 | Federal Projects | 84.173A | N/A | U.S. Department of Education | - | | 37,682 | 37,682 | - | - |
| | | | | Program Total | 13,725 | * | 51,407 | 37,682 | - | - |
| Title II (Part A) #13.21 | Federal Projects | 84.367A | N/A | U.S. Department of Education | 3,926 | * | 3,926 | - | - | - |
| Title II (Part A) #14.01 | Federal Projects | 84.367A | N/A | U.S. Department of Education | 31,341 | * | 31,341 | - | - | - |
| Title II (Part A) #15.01 | Federal Projects | 84.367A | N/A | U.S. Department of Education | - | | 141,550 | 141,550 | - | - |
| | | | | Program Total | 35,267 | * | 176,817 | 141,550 | - | - |
| Title III (Part A) #14.01 | Federal Projects | 84.365A | N/A | U.S. Department of Education | 5,167 | * | 5,167 | - | - | - |
| Title III (Part A) #15.01 | Federal Projects | 84.365A | N/A | U.S. Department of Education | - | | 22,922 | 22,922 | - | - |
| Title III (Part A) #13.21 | Federal Projects | 84.365A | N/A | U.S. Department of Education | 1,123 | * | 1,123 | - | - | - |
| | | | | Program Total | 6,290 | * | 29,212 | 22,922 | - | - |
| Carl Perkins #14.01 | Federal Projects | 84.048A | N/A | U.S. Department of Education | 19,254 | * | 19,254 | - | - | - |
| Carl Perkins #13.01 | Federal Projects | 84.048A | N/A | U.S. Department of Education | - | | 49,875 | 49,875 | - | - |
| | | | | Program Total | 19,254 | * | 69,129 | 49,875 | - | - |
| Race to the Top (2014) | Federal Projects | 84.412 | N/A | U.S. Department of Education | 93,419 | * | 93,419 | - | - | - |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended June 30, 2015

| <u>Program Name</u> | <u>Fund</u> | <u>CFDA Number</u> | <u>Grant/Contract Number</u> | <u>Grantor Agency</u> | <u>Balance July 1, 2014</u> | | <u>Cash Receipts</u> | <u>Expenditures</u> | <u>Returned to Grantor and Other</u> | <u>Balance June 30, 2015</u> | |
|--|----------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------|---|----------------------|---------------------|--------------------------------------|------------------------------|---|
| FEDERAL ASSISTANCE (Continued) | | | | | | | | | | | |
| Commodities | | | | | | | | | | | |
| Warehousing Rebate | Cafeteria | 10.555 | N/A | U.S. Department of Agriculture | - | | 3,651 | 3,651 | - | - | |
| Bullet Proof Vest Program (2011) | Local Grant Special Revenue Fund | 16.607 | N/A | U. S. Department of Justice | 2,215 | * | 2,215 | - | - | - | |
| Bullet Proof Vest Program (2013) | Local Grant Special Revenue Fund | 16.607 | N/A | U.S. Department of Justice | - | | 3,284 | 3,960 | - | 676 | * |
| | | | | Program Total | 2,215 | * | 5,499 | 3,960 | - | 676 | * |
| Highway Safety Grant (2014) | Local Grant Special Revenue Fund | 20.607 | N/A | U.S. Department of Transportation | 10,066 | * | 30,092 | 20,026 | - | - | |
| Highway Safety Grant (2015) | Local Grant Special Revenue Fund | 20.607 | N/A | U.S. Department of Transportation | - | | 32,789 | 47,534 | - | 14,745 | * |
| | | | | Program Total | 10,066 | * | 62,881 | 67,560 | - | 14,745 | * |
| FEMA Operations and Safety Grant | Local Grant Special Revenue Fund | 97.044 | N/A | U. S. Department of Homeland Security | 35,893 | * | - | 3,324 | - | 39,217 | * |
| Surface Transportation Program Grant | Local Grant Special Revenue Fund | 20.205 | 05LPLM F3-021 | U.S. Department of Transportation | 600 | * | 82,137 | 81,537 | - | - | |
| Nutrition Program Grant | Cafeteria | 10.555 | N/A | U.S Department of Agriculture | - | | 10,000 | 10,000 | - | - | |
| Justice Assistance Grant | Local Grant Special Revenue Fund | 16.738 | N/A | U.S. Department of Justice | - | | 15,000 | 15,000 | - | - | |
| | | | | TOTAL FEDERAL ASSISTANCE | 823,295 | * | 2,859,613 | 2,090,956 | - | 54,638 | * |
| STATE ASSISTANCE | | | | | | | | | | | |
| Early Childhood Education (Pre-K for Tennessee) (2014) | General Purpose School | N/A | MX14AAX | Tennessee Department of Education | 60,573 | * | - | - | - | 60,573 | * |
| Early Childhood Education (Pre-K For Tennessee (2015) | General Purpose School | N/A | 15-052000 | Tennessee Department of Education | - | | 170,445 | 170,445 | - | - | |
| | | | | Program Total | 60,573 | * | 170,445 | 170,445 | - | 60,573 | * |

(Continued)

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE (Continued)
For the Fiscal Year Ended June 30, 2015

| <u>Program Name</u> | <u>Fund</u> | <u>CFDA Number</u> | <u>Grant/Contract Number</u> | <u>Grantor Agency</u> | <u>Balance July 1, 2014</u> | | <u>Cash Receipts</u> | <u>Expenditures</u> | <u>Returned to Grantor and Other</u> | <u>Balance June 30, 2015</u> | |
|--|----------------------------------|--------------------|------------------------------|--|-----------------------------|----------|----------------------|---------------------|--------------------------------------|------------------------------|----------|
| STATE ASSISTANCE (Continued) | | | | | | | | | | | |
| Internet Connectivity (2015) | General Purpose School | N/A | N/A | Tennessee Department of Education | - | | 14,774 | 14,774 | - | - | |
| Coordinated School Health Project (2014) | General Purpose School | N/A | N/A | Tennessee Department of Education | 34,279 | * | - | - | - | 34,279 | * |
| Coordinated School Health Project (2015) | General Purpose School | N/A | 15-052000 | Tennessee Department of Education | - | | 100,000 | 100,000 | - | - | |
| | | | | Program Total | 34,279 | * | 100,000 | 100,000 | - | 34,279 | * |
| Family Resource Center (2015) | General Purpose School | N/A/ | N/A | Tennessee Department of Education | - | | 29,612 | 29,612 | - | - | |
| Safe Schools Act of 1998 (2014) | General Purpose School | N/A | N/A | Tennessee Department of Education | 22,800 | * | 22,800 | - | - | - | |
| Safe Schools Act of 1998 (2015) | General Purpose School | N/A | 15-052000 | Tennessee Department of Education | - | | 22,260 | 22,260 | - | - | |
| | | | | Program Total | 22,800 | * | 45,060 | 22,260 | - | - | |
| Local Park and Recreation Fund Grant | Local Grant Special Revenue Fund | N/A | N/A | Tennessee Department of Environmental and Conservation | - | | - | 9,471 | - | 9,471 | * |
| | | | | TOTAL STATE ASSISTANCE | 117,652 | * | 359,891 | 346,562 | - | 104,323 | * |
| | | | | TOTAL | \$ 940,947 | * | \$3,219,504 | \$2,437,518 | \$ - | \$ 158,961 | * |

(1)

The Schedule of Federal and State Financial Assistance is presented in conformity with accounting principles generally accepted in the United States of America, and is prepared using the modified accrual basis of accounting.

(1) June 30, 2015
Accrued Grants Receivable \$ 158,961 *

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF PERFORMANCE-BASED ASSISTANCE, LOANS AND ENTITLEMENTS
For the Fiscal Year Ended June 30, 2015

| <u>CFDA Number</u> | <u>State Grant Number</u> | <u>Program Name</u> | <u>Grantor Agency</u> | <u>Balance July 1, 2014</u> | <u>Amount Earned</u> | <u>Receipts</u> | <u>Balance June 30, 2015</u> |
|------------------------|-----------------------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------------------|
| 10.555 | N/A | National School Lunch Program | U. S. Department of Agriculture | \$ 64,005 | \$ 715,406 | \$ 779,411 | \$ - |
| 10.553 | N/A | School Breakfast Program | U. S. Department of Agriculture | <u>17,872</u> | <u>190,887</u> | <u>208,759</u> | <u>-</u> |
| Total | | | | <u>\$ 81,877</u> | <u>\$ 906,293</u> | <u>\$ 988,170</u> | <u>\$ -</u> |

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF NON-CASH ASSISTANCE
For the Fiscal Year Ended June 30, 2015

| <u>CFDA Number</u> | <u>State Grant Number</u> | <u>Program Name</u> | <u>Grantor Agency</u> | <u>Balance July 1, 2014 (Receivable)</u> | <u>Receipts</u> | <u>Expenditures (Issues)</u> | <u>Balance June 30, 2015 (Receivable)</u> |
|----------------------------------|-----------------------------------|---|--------------------------------|--|-------------------|----------------------------------|---|
| <u>FEDERAL ASSISTANCE</u> | | | | | | | |
| 10.555 | N/A | USDA: Commodity Supplemental Feeding – Commodities Distributed | U.S. Department of Agriculture | \$ _____ - | \$ <u>126,617</u> | \$ <u>126,617</u> | \$ _____ - |



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Maryville, Tennessee's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Maryville, Tennessee's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Maryville, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Maryville, Tennessee's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Maryville, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ingram, Overholt & Bean, PC

Alcoa, Tennessee

December 18, 2015



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor, Members of
the City Council,
and City Manager
City of Maryville
Maryville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Maryville, Tennessee's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Maryville, Tennessee's major federal programs for the year ended June 30, 2015. The City of Maryville, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Maryville, Tennessee's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Maryville, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Maryville, Tennessee's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Maryville, Tennessee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City of Maryville, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Maryville, Tennessee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Maryville, Tennessee's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Ingram, Overholt & Bean, PC

Alcoa, Tennessee
December 18, 2015

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Maryville, Tennessee.
2. No instances of noncompliance are reported in the audit of the financial statements of the City of Maryville, Tennessee based on the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies in internal control over major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Maryville, Tennessee, expresses an unqualified opinion on all major federal programs.
6. Audit findings, if any, that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The following were determined to be major programs:

| <u>Program</u> | <u>CFDA No.</u> |
|---|-----------------|
| Cluster: | |
| National School Lunch Program | 10.555 |
| School Breakfast Program | 10.553 |
| National School Lunch Program (Commodities) | 10.555 |

8. The threshold used for distinguishing between Types A and B programs was \$300,000.
9. The City of Maryville, Tennessee, qualified as a low-risk auditee.

B. Findings – Financial Statements Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None

D. Disposition of Prior Year Findings

No prior year findings.